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THE FINANCIAL POST

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The Nation's Business

Wages and Jobs

Industrial Codes Hinder Progress of Re-employment

Investors Find Ontario Policies Indecisive

Millionaires Buy Annuities Intended for Modest Incomes

A Problem in Bond Buying

Industrial Codes and Re-employment

THE reciprocity treaty with the United States promises to bring new wealth to Canadian farmers. It gives them larger markets for many of their products and the virtual assurance of higher prices.

Farmers need higher prices to soften the blows that depression continues to rain upon them. The disequilibrium between the prices at which farmers sell their products and the prices they pay for what they buy is still serious. Even the rise in prices that the reciprocity treaty may bring about is hardly likely to restore balance. Until such balance is fully restored, farm purchasing power will remain subnormal, farm debts will, in a substantial degree, remain "frozen" and there will be widespread unemployment in the land.

Under such circumstances this is no time for attempting a horizontal increase in the levels of wages paid to industrial workers. Yet that is what is being attempted in the industrial codes acts of Ontario and Quebec. Originally designed to curb, and quite properly, the small minority of exploiting employers, the legislation is being used in certain trades and industries to raise wages and shorten hours to a degree that is thoroughly unfair in a period of depression; unfair to consumers, unfair to uncodified workers, unfair to most of the code workers too.

* * *

THE result can be no better than to favor a few workers in the sheltered trades at the expense of the majority of workers and at the expense of farmers and other primary producers who have no way of increasing their incomes except as markets enlarge and prices rise in response to improving world conditions.

For instance, mail order houses, planning their new catalogues, are finding themselves under the necessity of marking up the prices of many of the essentials of life which they sell to farmers. Thus the effect of the rise that has taken place in farm prices is being offset by a rise in the prices of the things they have to buy. The restoration of equilibrium is further delayed. Little wonder then that farmers are alarmed by the codes legislation and that editors of farmers' journals are protesting bitterly against the manner in which they are being administered.

The codes, for that matter, are not likely to achieve for their "beneficiaries" the expected results. To the extent that they increase prices of goods and services they are definitely restricting the buying power of all classes of people. Already construction has slowed down, with a loss of jobs for building workers. In other lines, too, where wage rates are being fixed at too high a level, there will be less buying and therefore fewer jobs.

* * *

MORE than one million Canadians are on direct relief. There can be no final prosperity until there is productive work for all heads of families. A supreme effort should be made to find a market for this idle labor. It is not to be found by a policy of horizontal wage increases.

When jobs have been found for the unemployed, when prices begin to rise, then wage increases will be in order. Canadian consumers will be found generous in promoting in the future, as in the past, a steady rise in the "real" wages or standards of living of industrial workers. Attempting to rush the wage increases now will not help the workers; it will throw back on the relief roll many men now employed. It will prove very harmful to farmers and other primary producers.

The Ontario and the Quebec acts are attempting to duplicate the most serious mistakes of the ill-fated N.R.A. The consequences are likely to be quite as unfavorable.

* * *

Indecision In Ontario

TO A wide section of the public, the present Ontario government has conveyed the impression of being an administration of action. Un-

(Continued on page 2, col. 3)

KING TO DEFEND BENNETT LAWS IN B.N.A. FIGHT

Government Will Seek Judicial Support of New Deal Legislation

NO POLITICAL FACTOR

Saskatchewan Decision Cited as Weakening Enabling Acts — Termed Unconstitutional

From Our Own Correspondent

OTTAWA.—The first broadside in what will prove to be a long constitutional engagement between the Dominion and the provinces will be fired when the Supreme Court of Canada opens the hearings on the Bennett New Deal legislation on Jan. 15.

It is plainly evident at Ottawa that the King government will defend every one of the Bennett New Deal statutes tooth and nail, and will seek to enlarge the jurisdiction of parliament to the greatest possible extent through court decisions — before pressing forward negotiations with the provinces.

Attitude Reversed

The Liberal party, in opposition, attacked these New Deal laws, opposed them vigorously and persistently. In office, however, the political aspect of the New Deal has disappeared and the government is out to obtain from the Supreme Court judgments as favorable to Dominion jurisdiction under the B.N.A. Act as possible.

The government, it appears, decided there was no real escape from the reference to the courts. It was believed that sooner or later, these statutes would be assailed on constitutional grounds. Rather than have the business interests of the country subjected to prolonged uncertainty, it was deemed best to test the validity of the laws forthwith.

Constitutional Factor

The Supreme Court reference is scrupulously fair both to the Dominion and the provinces. The court is asked to point out, precisely, the extent to which any of the laws are unconstitutional. In doing so a lead will be given the law officers of the crown and it may be that Acts now invalid can be amended so as to make them sound.

Meantime the Department of Justice is co-operating with Hon. N. W. Rowell, K.C., chief counsel for the Dominion, in preparing the best possible defense of the statutes. The job of challenging the statutes will fall exclusively upon the provinces. In effect, therefore, the King government will appear in the rôle of defender of the Bennett government legislation.

Enabling Laws

Meantime, litigation passing through the courts is steadily weakening the Dominion jurisdiction and directly menacing not only the Bennett New Deal but many of the reform measures put through since the war.

Much of this legislation depends upon "enabling" statutes enacted by the provincial legislatures.

Claimed Ultra Vires

The trend of judicial findings in recent months has placed the system of "enabling" legislation in grave jeopardy. A typical case is the one decided by the Appeal Court of Saskatchewan, in which the regulations passed under authority of the Livestock Act were ruled ultra vires of the Dominion. This judgment goes so far as to declare that all "enabling" legislation is unconstitutional.

The substance of the decision is that the constitutional powers conferred on the Dominion and on the provinces are non-transferable and, therefore, one jurisdiction cannot come to the aid of the other.

Their lordships held in this case that both the Dominion and the provincial legislatures had attempted to do something which neither of them could legally do. There had been an attempt to enlarge the jurisdiction of parliament or to surrender the jurisdiction belonging exclusively to the province.

Plainly, events are rapidly shaping up for a thorough judicial survey of the constitution to be followed by a revision of the constitution.

Car Sales Rise During October

High sales and output of new automobiles in October resulting from the early changeover to 1936 models feature the week's news. A news story elsewhere in this issue gives details.

Summary of changes as shown in the week's figures, follows:

Monthly:	October	—Change— From Prev. Period %	From Prev. Year %
Automobiles—Prod.:			
Passenger, No.	7,128	+86	+235
Trucks & bus. No.	1,185	—21	—28
Exports, No.	3,931	—18	+4
Sales—passenger.	2,939	+14	+47
Trucks & buses	972	—31	+37
Newsprint exp. tons	240,421	+15	+17
Sugar, lb.:*			
Melt. & shipm't.	86,100,288	+17	—2
Manufactured	129,825,202	+75	+2
Electric Power Output:			
Monthly†	2,162,569	+12	+16
Aver. daily	69,761,000	....	+16
Auto. Financing:			
Used cars	$1,265,339	—7	+17
New cars	$1,096,937	—23	+17
Bank debits†	$2,907,500	+19	—14
Weekly:			
Car loadings, No.	48,684	—6	—3
C.P.R. gross earn.	$2,705,000	+2	+3
C.N.R. gross earn.	$3,479,413	—1	+10
Cattle sales, No.	21,860	—7	+7

*For 4 weeks to Nov. 2.
†000's omitted.

$50 Millions Scheme Of House Construction Facing Early Failure

T. Eaton Realty Redeeming Bonds

Five per cent first mortgage bonds of T. Eaton Realty Co. are being called for redemption at 100 early in 1936. Plans have been completed to obtain money at lower rates with which to retire the popular real estate bonds.

Since the bonds were sold by Dominion Securities Corp. at 95.14 in 1929, holders have had five per cent interest and an increase of nearly five per cent in the capital originally invested. The original issue of $12 millions had been brought down below $11 millions this year by sinking fund redemptions.

The Financial Post understands that the new financing will be done privately and that there will be no offering of securities to the public.

OTTAWA CUTS $12 MILLIONS IN CONTRACTS

Economy Wave Hits Works Programme Regardless of Political Effect

MEMBERS GRIEVE

From Our Own Correspondent

OTTAWA. — Determined to balance the Dominion budget by the end of the fiscal year 1936-37, the King government is applying the economy broom with vigor.

Cabinet reorganization and the elimination of harbor commissions were but the initial steps. Scores of contracts awarded by the Bennett government or in readiness for approval when the new ministry took over have been re-examined.

In several cases, contracts were suspended with little likelihood of their ever being revived. The Toronto tunnel scheme to cost $1 million is the outstanding example of this form of economy. Another $500,000 of capital expenditure was saved when a records building was scrapped at Ottawa.

$12 Millions Cut

All told $12 millions of new expenditures have been either suspended or held up for re-examination and there is little likelihood of this public works programme being continued.

The list of contracts turned back by the cabinet indicates that there are no politics in the policy of retrenchment. Liberal members are suffering just as much as members of other parties.

Local Members Worried

It is evident that the refusal of the government to approve these contracts is causing acute grief to local members but the feeling is that construction of this kind must be held down to the minimum, at least until the budget is in balance.

In each case, the original expenditure is but the beginning of a steady drain on the treasury. Public buildings have to be heated and maintained. Harbors, wharfs and breakwaters must also be maintained. In most cases the upkeep charges quickly outstrip the capital outlay.

Revision of Federal Plan Urgently Needed, Observers Claim

TOO MUCH RED TAPE

Loan Companies' Burden Excessive and Restrictions on Prospective Builders Are Onerous

If the $50 millions housing scheme inaugurated this year by the late government is to achieve even the smallest measure of fulfillment, many problems which have arisen through experience of the scheme's operation must be ironed out by the government and the loan companies.

This is the consensus of opinion of executives of the lending companies that are prepared to co-operate with the Department of Finance at Ottawa in giving full effect to the original intention of the legislation.

Cheap Building Funds

The Dominion Housing Act, 1935, was intended principally to do two things:

First, to make available cheap money for the class of lower wage earners who would take advantage of the opportunity to buy their own homes on a monthly basis that would not exceed the amount of a normal rental;

Secondly, to stimulate employment in the building and associated trades, which had suffered acutely throughout the depression. And so $10 millions of public moneys was made available, the loan companies to toss $40 millions into the joint pot.

Results Negligible

Unfortunately, in operation, the plan seems to have gone awry. The only classes to benefit—and to almost a negligible degree—have been the "white collar" class and the speculative builder, and these only in the large urban centres and only where they are considered an A-1 risk.

Why?

Because the loan companies—and the government, for that matter—do not propose to be philanthropic institutions. They cannot afford to do business on the basis of the terms of the act; and so the act is failing in its basic purposes.

Unless something is done before next spring, when another flood of applications is expected, the legislation will die from an acute attack of indifference on the part of everyone concerned, except those it was meant to benefit.

Cause and Effect

An examination of cause and effect gives the answer. When the act was passed a number of loan companies and other organizations with funds to lend were asked to join with the government in this country-wide housing scheme. They did not ask for it; rather it was thrust upon them.

Newspaper publicity resulted in the Department of Finance, and to a lesser degree the loan companies, being flooded with applications. And many of them were from out of the way places, such as the Gaspé Peninsula, where building funds are not easy to obtain.

Severe Restrictions

Because of the stringent regulations laid down, only a meagre percentage of these applications were even considered.

Primarily, the loan companies demanded first-class security.

Secondly, they required the location of the building to be within easy reach so that the progress of the building could be inspected by their architects.

Residents of outlying districts, for example, have little prospect of

(Continued on page 2, col. 3)

The Owner-Editor

Career of Late M. A. James, of Bowmanville, Shows Opportunities for Community Service

By JOHN BAYNE MACLEAN
Founder and Chairman, The MacLean Publishing Company, Limited

The story of M. A. James, for 57 years editor of the Bowmanville "Canadian Statesman," who died last week at the age of 87, is one of the best examples of the ideal editor-owner management of a newspaper as we see it in the MacLean organization. Mr. James was the leader but always the servant of his community and country. He stood for, and always promoted and taught, the highest moral standards in private, business and public life.

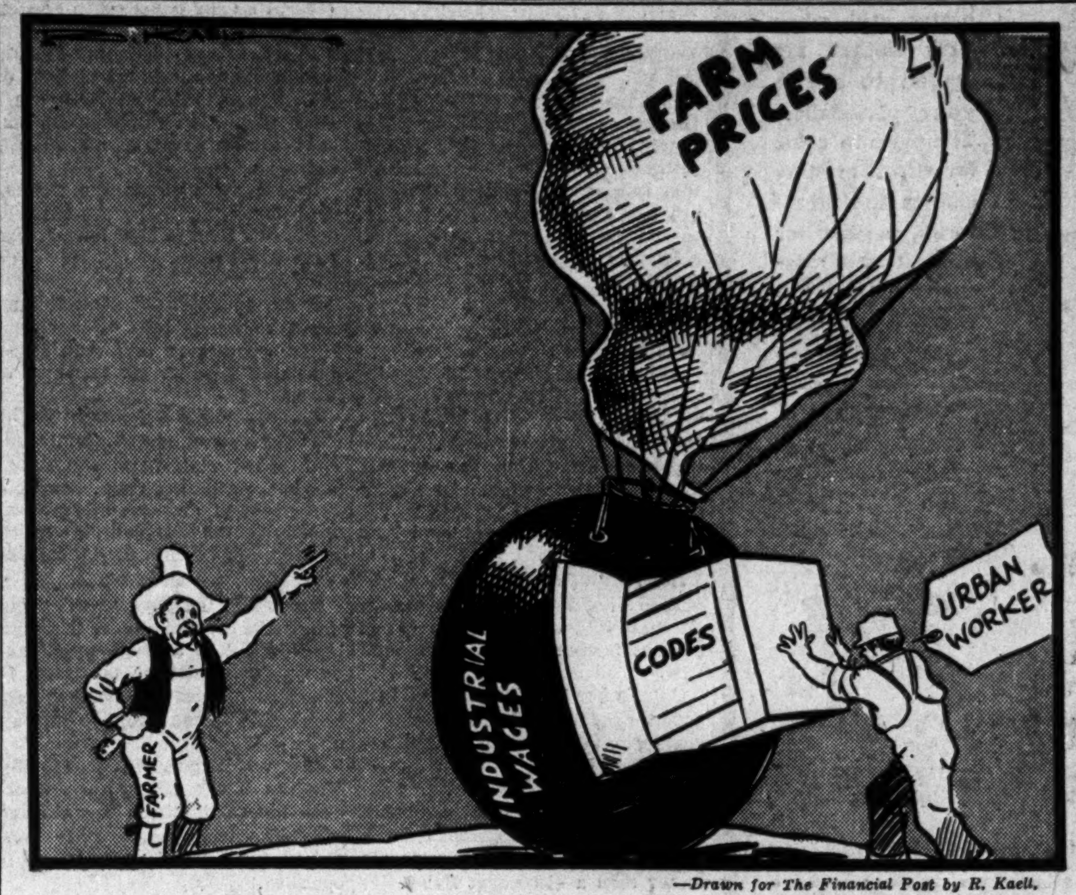
Rural Schoolteacher

He began as a rural schoolteacher, always a splendid foundation for a conscientious young man's career. He then sought the wider field of service in purchasing the local weekly newspaper. It was just about this time that there was starting the first of an interesting series of fights for control of the rural field between a few of the large city dailies and the local weeklies and smaller dailies. The latter were being established and developing, and cutting into the circulations of weekly editions of the big city dailies. The city weeklies cut their subscriptions to even lower than 25c. a year. Some of them took subscriptions for their dailies as low as $1 a year in their efforts to hold the out of town field, hoping in this way to maintain subscriptions and eventually put the rural weeklies and smaller dailies out of business.

The smaller papers tried to meet the cuts and carry on. They were much discouraged and the subject was, for some years, a matter of lively discussion at the annual meetings of the Canadian Press Association.

We of this organization took the stand at these meetings, as well as in our publishing newspaper, Canadian Printer and Publisher, that the smaller papers had nothing to fear, that it was the $1 dailies and their 25c. a year weeklies that would have to go; that the rural weeklies and small dailies held the key position; that they should not cut their annual subscription prices but should improve their papers by making them more and more interesting to their particular readers; make themselves leaders in the progress and prosperity of their communities, and in the national problems that affected their communities; that they should leave to the big city dailies the international news, foreign wars, crime, accidents, and the quantities of reading matter that were of little

(Continued on page 2 col. 6)



—Drawn for The Financial Post by R. Kaell.

Which Shall It Be; More Gas in the Balloon or Less Weight in the Gondola?

LANG FIGHTS GREAT LAKES PAPER DEAL

Dissenter of Bondholders' Committee Recruits Opponents

ISSUING LETTER

Louis L. Lang is forwarding a letter to bondholders of Great Lakes Paper Co., explaining that he will oppose the Gefaell-Aldrich offer for the company's assets, when it is presented to the Supreme Court of Ontario for approval. The aim of the letter is to recruit opponents of the Gefaell-Aldrich deal.

Mr. Lang is first vice-president of the Mutual Life Assurance Co. of Canada and president of the Lang Tanning Co., Kitchener, Ont. He was the dissenting member of the bondholders' committee which advised bondholders to approve the the Gefaell-Aldrich offer.

Unite Opposition

The Financial Post understands that large institutional investors who voted their bonds against the Gefaell offer at the bondholders' meeting will oppose the scheme in court.

There had been expectations that some large bondholders might refrain from joining the opposition to the Gefaell-Aldrich deal. As a result of recent developments, it is expected that well over $1,000,000 of bonds will oppose the sale in court.

Urges Opposition

In his letter, Mr. Lang urges holders of Great Lakes Paper Co. bonds to express disapproval of the Gefaell-Aldrich offer, so as to strengthen the hands of the bondholding group which will oppose the scheme in court. This will require quick action on the part of bondholders, because the offer will probably be taken to the court for approval within two weeks.

Revised Offer

This offer in its latest form has been submitted to National Trust Co., receiver and manager for Great Lakes Paper Co., and to the bondholders' committee.

In view of the fact that bondholders approved the Gefaell offer at their meeting on October 15, however, the receiver, the committee and the bondholders cannot approve any other offer until another meeting is called. Hence, the court will be asked to call another meeting to consider the newsprint industry's revised offer.

Alterations in Offer

Alterations have been made in the offer of the newsprint industry so as to overcome objections made by representatives of bondholders at the Oct. 15 meeting.

First, in order to protect Great Lakes Paper Co. from being given undesirable newsprint tonnage, the industry's offer now includes a proviso that tonnage allotted to Great Lakes shall be of "fair average" desirability.

Second, in order to prevent default of the offerors, to the embarrassment of Great Lakes Paper Co., it has been provided that control of the Great Lakes firm automatically reverts to bondholders if the tonnage offered by the newsprint industry is not provided promptly.

Third, the offer has been revised so as to provide that the price Great Lakes Paper Co. will receive for its production will be the current market price without deduction for handling and selling costs.

Mr. Lang's letter stresses the fact that the industry is prepared to put $500,000 into Great Lakes Paper Co. in cash whereas the Gefaell-Aldrich offer provides for issuance for 100,000 class "B" shares to American publishers for no consideration other than newsprint contracts. Mr. Lang also points out that the Gefaell offer involves payment of over $500,000 in selling commission to Mr. Gefaell over a ten-year period while the industry's offer requires no such deductions.

Highlights

Farm Implements

Slicing tariff on agricultural machinery not helpful, but recovery of farm buying power more important to securities. Page 11

Relief's Huge Cost

Average man pays $9.13 annually toward unemployment cost. Page 11

A Great Trusteeship

Hon. Chas. A. Dunning says life insurance has bigger stake in Canada than any other industry. Page 14

Newsprint Securities

Speculative activity based more on hope for improvement over long term than on actual betterment within industry. Page 3

Mines Beat Record

Dividend payments for 1935 from Canadian mining companies reach record high. Page 18

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VICIOUS EFFECT OF CODE LAWS STIRS CENSURE

Home Builders Claim Higher Costs Retard Construction

POOR ENFORCEMENT

Despite the expressed resolve of government officials to enforce the Industrial Standards Act in Ontario, repeated complaints of the vicious effect of the act continue to reach The Financial Post. Latest move at Queen's Park is the decision last week to completely reorganize and centralize inspection services under the act. Whether this will achieve the desired effect or not remains to be seen.

Typical is the attitude of officials of the Toronto Home Builders Association interviewed by The Post. This association is comprised of builders who for the most part engage in speculative building of private residences. These builders have to finance themselves, or arrange such financing as is necessary for their purpose by mortgage loans on the properties which they hold during the interval from the purchase of land to the completion and sale of houses erected on it. Thus they are in a different position from general contractors who erect buildings for their clients.

An Added Hazard

Owing to the highly competitive field which home building for speculation presents, with the uncertainties of sale dependent on the real estate market, any considerable added cost in building adds a very real hazard to the successful conduct of their business.

Interviews with association officials this week reveal general dissatisfaction with the schedules of wages and hours now in effect in the building industry in the Toronto zone. Without exception these builders have also voiced disapproval of the lack of enforcement of the act.

Lack of Enforcement

C. M. Pelton, president of the Toronto Home Builders' Association, told The Post that conditions were never so bad for the home builders in the Toronto area as they are at present. He attributed this condition mainly to the sudden jump in labor costs occasioned by the schedules of wages and hours, and to the uncertainty of the position of the reputable builder because of ineffective enforcement of the act.

In the first instance this group had desired fair minimum wages for all branches of the industry, but failing this had urged, when agreements were being drawn up for the various trades, that a medium scale should be operative for a few months, followed by gradual increases, as had been done, he stated, in Quebec when the codes were put into effect there.

Union Scale Rules

Insistence of the representatives of employees at the conferences had resulted in wage rates on a par with the highest paid in all branches of the trades on government contracts, or practically the union scales. "It was too big a jump from the pre-

(Continued on page 2 col. 5)

F. N. Burt Co. Earnings Fully Equal to 1934 Level

F. N. Burt Co. earnings in 1935 to date compare favorably with those of 1934. In 1934 profits after depreciation and taxes were $128,017 as compared with $108,145 in 1933. The 1935 profits will be fully up to 1934 level, it is understood.

The company continues to pay dividends on $2.7 millions of $25 par value common stock at the $2 rate, though earnings in 1934 were about $1.15 a share and possibly may be a little more for 1935. It had only $58,900 of 7 per cent preferred stock outstanding at the end of 1934 and no funded debt or bank loans. Its working capital position is very strong and earned surplus is sufficient to permit payment of this dividend for nine years even if profits remained at the same figure. Back in 1928 the company made as high as $4.72 a share on this stock and $4.66 in 1929, $3.19 in 1930, $2.62 in 1931 and less than $2 a share since then. It has maintained output but prices are very much lower than in boom times and entirely competitive.

MONT. POWER HOLDING OWN CURRENT YEAR

No Material Change Noted in Operations or Earnings

PRODUCTION UP

Savings in Interest Charges Offset by Higher Taxes — 1935 Share Profit Likely Less

From Our Own Correspondent

MONTREAL. — Net earnings of Montreal Light, Heat and Power Consolidated available for distribution on the capital stock are estimated for 1935 as somewhat lower than in 1934 when the company reported $1.78 a share, as against dividend requirements of $1.50 a share.

Since the beginning of the current year there has been no material change in the operating position of the company. Taxes have increased, but some savings have been effected in interest charges, so that revenues for the full year are likely to be on approximately the same scale as a year ago. As far as can be judged at this time, any decline in net income will be negligible.

Power Output Higher

Last year operations of Montreal Power took a turn for the better and so far this year electric power output has shown a moderate increase over 1934. For the first ten months of the current year the company reports an output of nearly 828.5 million kw.h., against 810.9 million kw.h. for the corresponding period of 1934. This represents an increase of 2.17 per cent.

The gain for the full year should be somewhat larger, as the output recently has been on a larger scale. Last September electric power output was 9.90 per cent over the same month in 1934, while the October production gained 7.33 per cent. November figures are not available, but it is anticipated that production will continue to show the same general trend.

Gas Sales Drag

While the returns of the electric power division have been encouraging, the gas department continues to report a drag in demand. Up to the end of October last, gas production totalled 4,327 million cubic feet, compared with 4,524 million cubic feet for the corresponding period of 1934. This represents a decrease of 4.34 per cent and it now appears that returns for the balance of the year will not be great enough to offset this decline.

No particular reason is ascribed to the falling off in demand for gas. Economic conditions generally in the territory have not been particularly favorable for an increase of sales in this division and until there is a more general gain in employment, the chances are that the gas sales will continue at a level somewhat less than reported for 1934.

Save on Interest Charges

The financial statement for 1935 is expected to reflect changes brought about by refunding operations announced by the company earlier in the year. It will be recalled that at the last annual meeting of shareholders, directors were given authority to issue bonds up to an aggregate amount of $150 millions for refunding operations with a view to effecting savings in interest charges.

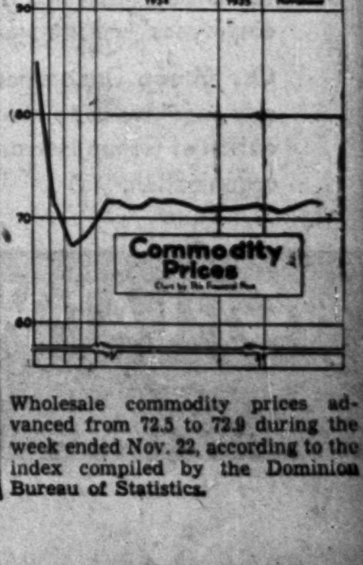
Further Refunding Expected

It is expected that when conditions are opportune the management will take steps to redeem the present series A bonds, of which $27.9 millions were outstanding at the end of last year. This issue carries interest of 5 per cent, and with a continuance of the present interest trend, it is believed that the company can refinance on a lower basis.

Taxes Are Higher

Redemption of over $14 millions of the series B and Montreal Public Service bonds will result in a saving on interest charges, but this economy will be more than offset by the increase in taxation. Dominion income taxes are higher and, in addition, Montreal Power is obligated to pay an additional $250,000 to the city of Montreal.

As far as income from investments is concerned, it is understood that the lower interest trend has not been without effect upon revenue from this source.



Wholesale commodity prices advanced from 72.5 to 72.9 during the week ended Nov. 22, according to the index compiled by the Dominion Bureau of Statistics.

The Gloves, $2.75
The Silk Hat, $15.00
Opera Hats, $15.00
The Shoes, $6.00 and $10.00

YOUR STOCK GOES UP
WHEN YOU LOOK YOUR BEST

Good "first impressions" are better still when your clothes are styled to assist your personality. The place to come for correct evening clothes and accessories, in fact for every item of masculine attire, is the MEN'S SHOP, Eaton's-College St. Here quality predominates and authentic style is assured.

MEN'S SHOP

Free Parking While Shopping

MEN'S SHOP
BAY STREET SECTION
EATON'S - COLLEGE STREET

THE FORWARD LOOK

The feeling of security and well-being that a savings Fund gives to its owner helps him through many a temporary disappointment and loss. His eye is on the future, and he saves regularly with that in mind.

THE
ROYAL BANK
OF CANADA

STABILITY

Ten Employees Or A Thousand

Whether your payroll is small or large, Group Life Insurance will make of your employees a better working force. Experience has proved it pays for itself in reduced labor turnover and increased efficiency, while the life insurance protection afforded so many who could not otherwise obtain it has earned for Group Insurance a permanent place in employees' welfare work.

Our Group Department will freely answer any enquiries as to the most effective application of Group Insurance to your individual organization.

THE GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE...WINNIPEG, CANADA

The Nation's Business

(Continued from page 1)

fortunately this impression is wrong as far as the investor is concerned.

For nearly 18 months since the government was elected policy on Ontario municipal affairs has remained obscure.

One reason for the beclouded municipal policy, in face of the worst default record in Canada, is that the province has taken an indefinite stand on unemployment relief.

The programme of provincial budget-balancing also is hanging in mid-air.

In financing Ontario has followed the line of least resistance in selling short-term securities. This may be justifiable, but chiefly on the ground that sale of long-term bonds may not be as advantageous as it could be had the province not adopted the policy of repudiation of Hydro contracts.

* * *

THEN there is the Hydro question. The government has at least been consistent in its insistence on repudiation, but this is hardly praiseworthy. If the government can afford to repudiate Ontario's covenant, it should be able to take the risk of delineating its precise Hydro policy; unless the truth is that this would reveal its short-sightedness.

Now, with Premier Hepburn absent on a holiday to mend his health, all these and other vital problems are left further from solution than ever.

Ontario has the right to expect its government to clarify its policies in dealing with the gravest problems the province has ever faced. Whether or not one may be in agreement with those policies, it would be helpful to have the issues defined. Then there could be orderly debate rather than a discordant Babel.

* * *

Unnecessary By-elections

TWO of the most important of the King's ministers in Canada have to find seats in Parliament before the session opens. Mr. Dunning and Mr. Gardiner have been carrying on as Minister of Finance and Minister of Agriculture respectively but precedent demands that they be members of Parliament. Two Liberal members will have to resign graciously; they will probably be appointed judges or otherwise get jobs as recompense, and the two ministers will run in by-elections for their seats.

Canada could save a great deal of money if it were to abandon the tradition that ministers must sit in one House or the other. Ministers could do better work if they did not have to sit in Parliament, if they were represented there by under-secretaries or chairmen of committees.

Canada and the British North America Act would survive such a practical change in procedure.

* * *

Annuities for Millionaires

DOMINION government annuities were established to help people of modest means to build up a reserve of income for their old age.

But people of modest means have taken little advantage of the government annuity system. Rather, the annuities are being bought by people of wealth. True the amount of annuity that any one person may buy has been reduced to $1,200 a year but there is nothing to prevent several members of a family from buying annuities.

Wealthy people are buying annuities because they know them to be bargains. They are bargains because they are sold below cost.

In the first place, the government absorbs all the expenses in connection with the annuity branch.

In the second place, the government makes its rate calculations on the assumption that money is worth 4 per cent. Yet recently it was able to borrow for a long term at slightly over 3 per cent.

In the third place, the government's mortality tables are obsolete. People in Canada live longer than these tables show.

Independent actuaries believe that the government's annuity rates ought to be at least 60 per cent higher than they are, even if no allowance is made for expenses of management.

These facts are not known to the ordinary run of people. But well-informed investors of substantial means are aware of them. And so a governmental department designed to help the "small man" is carried on at public expense for the benefit of wealthy men and women.

Obviously, the government ought to raise its rates to a more business-like level. The average small taxpayer should not be burdened to provide annuities at less than cost to people who can afford to pay full rates.

The whole government annuity question is one calling for a thorough re-examination. The old age pensions scheme has altered the conditions under which the plan is operated.

* * *

A Problem In Bond Buying

MANY of the life insurance companies who bought bonds of the recent long term Dominion loan did so with some misgivings. They do not lack faith in the credit of the Dominion but they do question the attractiveness of long term three per cent bonds.

No one can forecast what money rates will do in the next few years. Prosperity or war may change the price of money.

A 3 per cent 20-year bond sells close to par now. In ten years, if the prevailing yield on government issues is 4 per cent, the bonds will be selling at around 86; if the rate is 5 per cent, at about 75; if 6 per cent, then 66.

True the investing institution will be getting the 3 per cent contracted for. But will the government's insurance officers then require the bond to be shown in the balance sheet at the market price? Contemplation of what a rise in interest rates might do to valuations in the financial statement gives insurance executives cause to worry.

Some of the companies have suggested that bonds should be valued in their statements on an amortization basis. The difference between the price paid and the par value would be spread over the life of the bond. Market prices would be ignored so long as interest was being paid promptly. Such a move might aid Dominion financing.

$50 MILLIONS SCHEME OF HOUSE CONSTRUCTION FACING EARLY FAILURE

(Continued from page 1)

securing a loan at five per cent interest when, in these areas, remote from the big financial centres, higher rates are easily secured on first-class security.

What chance has the prairie home builder when, with conditions as they are in some western areas, loan companies are diffident about lending money at 7 per cent?

Mortgagors are still acutely conscious of how operation of the Farmers' Creditors Arrangement Act, especially in western Canada, has cut their financial returns away down, and there was very little they could say or do about it.

Loan Companies Aloof

And so several of the loan companies have virtually decided that the act, as at present framed, is unworkable. This, they feel, is because it is not feasible to apply a blanket rate of loan interest to the whole of Canada. Conditions vary too widely. Also, expense of inspections, high accounting expense involved in making monthly mortgage collections instead of every six months, expense of close co-operation with the Department of Finance, combine to reduce the return from business under the act.

Even were an inspection fee of $25 per property granted, as suggested by the ex-Minister of Finance, Hon. Edgar N. Rhodes, there would still be much expense and trouble involved for the loan companies.

Large Expense Seen

If a company went into this business in a broad way, taking loans on good security where it could get them, it would need a large corps of inspectors, a considerably larger accounting staff, and one or more men practically resident in Ottawa for close contact with the Department of Finance.

Red Tape

One reason why the builder is unimpressed by the act is: too much red tape. Progress loans are provided for, but at the end, 25 per cent of the total loan is withheld until a sale is effected—and it must be a sale that is satisfactory to the loan company and to the government. Builders can do better without bothering about the saving of ½ of 1 per cent.

A Typical Example

Again, another provision that annoys prospective builders is the ultimate amount of loan they get. A lot has been bought for $1,500. The applicant proposes to build a house valued at $8,500, making property worth $10,000. With every necessary financial security behind him, he expects to get the 80 per cent, or $8,000, provided for in the act. But the loan company inspects the land and agrees that it is worth the $1,500; it does not agree, after looking over the district, that he should put up an $8,500 house. It advises him that a house costing $7,500 would be adequate, and that they can lend only on the basis of a $9,000 property.

This is a comedown for the prospective builder, but he agrees, and the loan company submit this recommendation to Ottawa. Department of Finance officials may refuse to agree. They may think the valuation for purposes of the loan should be $1,200 on the land and $6,800 on the house. So that instead of getting the $8,000 he had hoped for, the prospective builder can secure about $6,400. He probably feels he would have been better off to have got his money on the basis of $9,000 and paid a little extra interest.

Such annoyances to both builder and loan company are not infrequent, it is reported, with the result that the act is finding little favor with either.

"Scrap the Act"

"What can be done about it?" was the question The Financial Post asked several loan executives.

One man, quite bluntly, said the best thing to do was to scrap the act. Others, realizing there may be a possibility of modifying the legislation to make it more workable, were not so forthright.

In one case it was suggested that instead of confining the lending powers to a few companies the new government might consider widening the scope of the act to allow many smaller institutions and individuals, of financial standing, to come in under the scheme.

This executive pointed out that building loans were available in the smaller communities, sometimes through small institutions and again perhaps through a retired builder or business man.

Municipal Guarantees

Another suggestion is that loans made in any municipality be backed by that municipality. This, it was felt, would be satisfactory to the loan companies where the financial standing of the municipality was good.

In any event, the whole structure of the act is weakening and will fall into the limbo of unsatisfactory legislation unless the new government and the Department of Finance are prepared to do something to ease the burden that has been thrown on the loan companies and prospective home builders; in short, to carry out the original intention of the act, which was to furnish cheap money to new home builders and to stimulate employment in the building trades.

Dom. Mortgage Official

MELVILLE ANGUS
Who has been appointed assistant secretary of the Dominion Mortgage and Investment Association.

VICIOUS EFFECT OF CODE LAWS STIRS CENSURE

(Continued from page 1)

vailing rates among the home builders, and as a result hardly any of them are doing a thing today. New jobs are not being started," says Mr. Pelton.

W. J. Fugler, chairman of the legislative committee of the association, who has been closely identified with conferences held at Queen's Park in connection with the act as applied to the building trades, stated his association will make representations to the government before the legislature meets with a view to securing certain amendments to either the act, or the regulations. "The schedules now in effect are entirely too drastic," he declared, "and should have been effected over a period of two or three years."

Mr. Fugler also criticized the irregularity of dates in which the schedules of wages and hours for the respective trades are operative. Each of the schedules may only be drafted for one year, according to the act.

The eleven schedules of trades in the Toronto zone were passed by order-in-council on various dates beginning with that of the plumbers, steamfitters and gasfitters May 30, 1935, and ending with the schedules of the tile setters, passed September 11, 1935

"White Collar" Wages

"All the schedules in the building industry should run with the calendar year," Mr Fugler stated. If this were the case, he explained, the builders would not be faced with the uncertainties of changing wage scales in the spring of the year when they are starting new jobs.

Another view of the probable effect of the codes is expressed by P. F. McCleary, assistant secretary of the Home Builders' Association and editor of "Building in Canada." This journal said recently:

"Provided that general business continues to improve, with consequent increases in salaries and income to the thousands of 'white collar men' who are the chief source of prospect for the purchase and renting of new homes, the wage advances in the building trades should work out satisfactorily. But if not—if the income of the average business men, clerks, salesmen, and all the rest of the great white-collared throng does not advance—then modification of the new wage schedules in the building trades must come, or curtailment of construction activity will result, with the building mechanics suffering the most."

Redfern Construction View

The Redfern Construction Co., which had the contract for the new head office building of the Imperial Bank of Canada in Toronto, was caught by increased labor costs under the codes while they were engaged on the job. The manager of the firm, Andrew Kinghorne, estimates that the additional cost involved as a result will range from ten to fifteen per cent.

In referring to the Act as applied to the building industry, Mr. Kinghorne told The Post: "It seems to be retarding building operations. People are waiting to see what is going to happen next. With the wage rates increased and the hours shortened the builder's programme is upset."

Maintenance Men Problem

As no provision was made in the act for maintenance men employed on carpentry work, painting etc. continuously on the premises of large industrial plants, rulings have been obtained exempting these employees from the wage rates set up in the schedules.

In the same respect the managers of buildings, or firms which rent and look after the up-keep of office buildings in Toronto, found themselves faced with the high rates of wages as provided in the schedules for painters etc.

It was only after convincing the minister of labor that their employees were engaged continuously on renovations, repairs etc., and therefore not in the same position as seasonal workers in the building trades, that some of the building managers succeeded in getting their men classed as maintenance employees.

Inspections Reorganized

The government's answer to reports of inadequate enforcement of the act, is that a reorganization of the inspection services of both the Department of Labor and of Public Welfare has been worked out, and is already partly in operation.

Inspectors in all these services are being placed under one general inspector, The Financial Post is told. This official will receive all complaints, and reports of inspectors. While the personnel of the new inspectorate has been practically determined, it was stated that no announcement could be made of appointments until the order-in-council covering same had been passed.

BRANTFORD CORD. POSITION BETTER EARNINGS HIGHER

Inventories Show Sharp Drop — Working Capital Up

Results of Brantford Cordage Co. for the year ended August 31, 1935, were better than the company anticipated, earnings and working capital both showing improvement.

Net profit for the year, after depreciation and taxes, was $13,000 higher than in the previous fiscal period, amounting to $235,760.

Conditions, however, have remained difficult, according to W. M. Messecar, president, as a result of continuance of free entry into Canada of binder twine from foreign countries where wage levels are very low. The somewhat better showing in the year just reported is attributed to heavy crops in parts of Canada and United States where the company markets its products.

Dividends Earned

While a year's dividend on the second preferred as well as on the first preferred was more than twice earned, dividends were only paid on the former. Dividend requirements on the second preferred, which at August 31 last was in arrears 64¾ per cent or $16.18¾ per share, amount to $59,500 annually. Earnings available for distribution to second preferred shareholders were $122,892.

During the year the company continued its policy of retiring first preferred stock, shares to the par value of $44,500 being retired. This reduces the par value of the first preferred shares outstanding to $1.4 millions.

Improvement is shown in the company's already strong working capital position, current assets exceeding current liabilities by $2.4 millions. Cash and government bonds alone total over $1.4 millions. Accounts receivable are up $50,000 to $428,424.

For details of financial statement see page 18.

THE OWNER-EDITOR

(Continued from page 1)

or no interest to the masses of the people.

Policy of Statesman

Mr. James was one of the first to take this view and adopt this policy. It took a great deal of courage, because in Bowmanville, a few miles east of Toronto, he was in one of the most exposed and dangerous positions.

He won. And that he won in a big way is shown by the fact that his son, George W., after a good training in city newspaper life, saw no better opportunity for a prosperous and happy career than to return, as he did some years ago, to his father's paper, The Canadian Statesman, to carry on under his inspiration the good work his father started.

Long experience and observation have taught me that the three greatest assets to a community and country are its clergy, its teachers and its owner-edited newspapers.

Steadily Developing

The smaller dailies and weeklies under this type of owner-editorship are steadily developing as a most important factor in the development of the prosperity and happiness of Canada and the Empire. It is to these communities we must look for our future leaders in business, the professions and public life. The great, splendidly edited, metropolitan newspapers of today cannot, with perhaps few exceptions, because of their varied interest and influences, give this leadership as can the smaller, more closely read publications.

Mr. James went abroad many times—not for the sensations and thrills but to learn what the world was doing that could be adapted by his newspaper as constructive policies for his community.

Dividends for Canada

I know of no more interesting career for young men or women anxious to serve and to aid in the development of their country than the editorship of a community newspaper. Many are now engaged in that work. If they are successful enough to outgrow that field and are looking for a place where they can, as journalists, serve a wider community—if I may intrude a "Help Wanted" advertisement—we will be glad to hear from them. Practically all our own newspapers are of the community type, but communities that are national rather than local.

I would say to you—our readers of our national community—stand by and co-operate with your local newspapers. See that they are edited for your community as M. A. James edited The Canadian Statesman, and as many other men of his type are editing their local papers today. It will pay you and our country big dividends in prosperity and happiness. Experience proves it.

Ontario Silknit To Fund Arrears

Directors of Ontario Silknit Ltd. have given consideration to a plan for funding of the arrears of dividends on the company's preferred shares.

Details of the plan, which will be submitted to shareholders for approval, are expected shortly. Legal and other technical details of the plan are now being considered.

Regular dividends are being paid on the preferred, the latest being the $1.75 quarterly payment announced for payment on Dec. 15. The company also declared a dividend of $1.75 on the preferred stock in September, and at that time arrears of preferred dividends amounted to $20.75 a share. Issued and outstanding preferred amounts to $1 million, of an authorized $1.5 millions seven per cent, cumulative, $100 par. The company has no funded debt but a mortgage of $91,400 was payable at December 31, 1934. There are 40,085 no par common shares outstanding.

Earnings on the preferred in 1934 were equal to $9.81 a share in 1934, and $4.17 a share in 1933.

Wood, Alexander Bonds Called for Redemption

National Trust Co., trustee for first mortgage bonds of Wood, Alexander & James, Ltd., Hamilton, wholesale hardware firm, has given notice of redemption of $12,000 principal amount of the bonds.

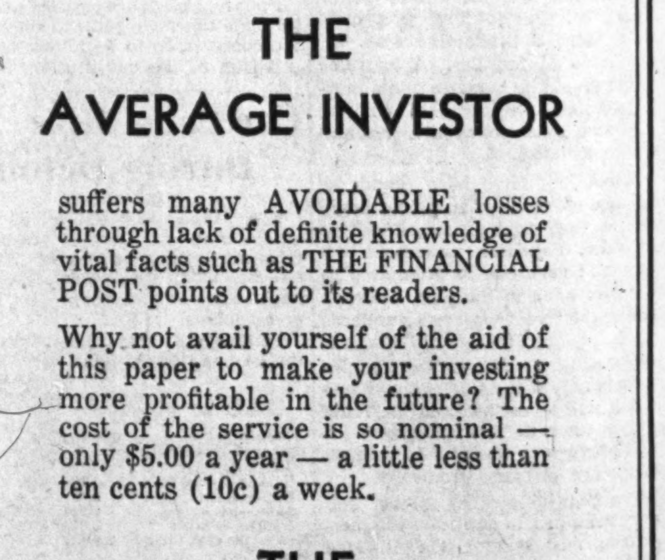
The bonds are to be redeemed on or after Jan. 3, 1936, at 103 and accrued interest. Bonds that have been drawn may be presented for payment at the main branch of the Bank of Nova Scotia in Hamilton, Toronto or Montreal.

A Million
DEPOSIT ACCOUNTS
DENOTE CONFIDENCE

Head Office Montreal

MODERN, EFFICIENT BANKING SERVICE
.... the outcome of 118 years' successful operation ....

BANK OF MONTREAL
Established 1817



Simpson's

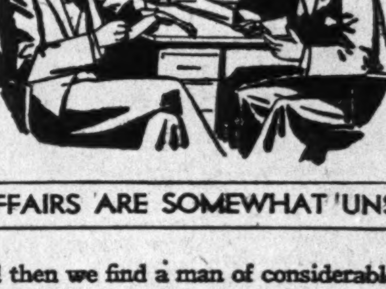
CHURCH'S Famous British Shoes

Church Shoes

We have placed the illustration of the shoes at the foot of this advertisement, but the reputation of Church craftsmen—men who have worked most of their lives at the factory in Northampton, England, content with one supreme achievement—the production of Church shoes,—has placed the name solidly where it belongs, — at the top.

The sturdy oxford illustrated is made of Martin's Scotch grain leather, with an overweight sole. Black or brown. At $12.50

SIMPSON'S
STREET FLOOR



"MY AFFAIRS ARE SOMEWHAT 'UNSETTLED"

Now and then we find a man of considerable property who says, "I am not changing my will, (though I realize it's out of date) because my assets are less than they were, and my affairs are unsettled. Later, I expect to have it drawn as I want it."

On the surface, this seems reasonable. Yet in reality, this person needs a sound estate plan most of all.

If any such reasons as these have made you hesitate to revise your will, you should get the recommendations of your lawyer. We shall be glad to discuss with you the business and financial aspects of your estate problems.

Crown Trust Company
EXECUTORS TRUSTEES
FINANCIAL AGENTS
393 ST. JAMES STREET WEST
MONTREAL

THE AVERAGE INVESTOR

suffers many AVOIDABLE losses through lack of definite knowledge of vital facts such as THE FINANCIAL POST points out to its readers.

Why not avail yourself of the aid of this paper to make your investing more profitable in the future? The cost of the service is so nominal — only $5.00 a year — a little less than ten cents (10c) a week.

THE FINANCIAL POST
Canada's Great Financial Newspaper
Established 1907

The Rise In Newsprint Securities

Speculative Activity Based More on Hope for Improvement Over the Long Term Than on Actual Betterment Within the Industry

By JOHN LANGDON

MONTREAL.—Rapid rise of late in the value of the senior newsprint securities does not appear to be wholly warranted either by present or prospective developments.

For months on end the market neglected securities of the newsprint companies. There had been occasional flurries, but nothing of a general move such as has been experienced in the past couple of weeks.

In this article, present market values of "senior" securities of newsprint firms are discussed, as measures of value of the properties concerned. Only the value of the first lien bonds has been taken in each case, except St. Lawrence Paper Mills. There being no St. Lawrence bonds, the value of the preferred shares is naturally the value of "senior" securities.

Favorable Factors Help

Recent buying has been speculative based on one or two developments which have been construed as extremely bullish. These are:

(1) Newsprint output and sales have reached the record levels of 1929;

(2) The price of newsprint has been increased $1 a ton on 1936 deliveries; the first advance in more than a decade; and

(3) The seller is gradually getting the upper hand, which is taken to indicate a return of the "good old days" when profits were large because the manufacturer disregarded the interests of the publisher.

Room For Improvement

Of the nine companies in which there is a general investment interest only two are paying interest regularly and a third intermittently. The rest are in receivership, have reorganized and deferred obligations, or, as in the case of St. Lawrence Paper Mills, passed up dividends.

Taken as a group, income is insufficient to provide adequate reserves for depreciation. The majority have bank loans. Working capital is depleted. Contingent liabilities are so onerous in certain instances that reorganization is necessary.

Long Term Outlook

Despite the present decrepit state of finances the industry commands valuable resources which under normal conditions should provide an adequate return on capital. Consequently the securities of the newsprint companies have held out attraction to the speculator or the investor who has the patience to wait for the return to better days.

With earning power of the operators on a much-reduced scale, and return on capital limited to three companies, the market has appraised the value of newsprint securities largely on the basis of the resources back of them.

A widely-used common denominator is the replacement value, which is usually taken at $25,000 a ton daily productive capacity. A mill with a daily capacity of 250 tons, therefore, is regarded as being worth $6¼ millions.

Market Value Per Ton

Taking the market value of the senior security, together with bank loans, the average value per ton daily capacity of nine of the leading Canadian mills is placed at $10,550. The range varies from $5.850 a ton for St. Lawrence Paper Mills to $17,300 a ton for Mersey Paper.

The closeness with which the market has set a value on the different properties is set out by the following table:

	Rated Daily Capacity in Tons	Market Value of Senior Security, Together With Bank Loans	Value Per Ton Daily Capacity
Abitibi	2,154	$20,372,782	$ 9,500
Can. Inter. Paper	1,817	18,098,375	9,950
Consolidated	1,944	23,763,458	12,200
Donnacona	240	2,931,120	12,200
Great Lakes	314	3,775,000	12,000
Lake St. John	260	3,540,401	13,600
Mersey	293	5,058,605	17,300
Price Bros.	1,020	12,482,161	12,200
St. Lawrence Paper	460	2,686,958	5,850
Total	8,502	$89,708,860	

Relation to Earnings

This table indicates that the recent rise in newsprint bond values has been consistent in the majority of cases. Values are not out of line with replacement costs. On the other hand there is a question of the values in relation to return on capital and potential earning power.

Signs of Improvement

Conditions in the Canadian newsprint field have improved and prospects of better earnings are in prospect. There is little doubt on that point.

The demand for newsprint has increased substantially since the spring of 1934, and the output this year will probably establish an all-time record.

Operating ratios of the individual manufacturers have been bettered, though the average for the industry as a whole is still below the level prevailing prior to 1929.

The advance in the price for newsprint on next year's deliveries is disappointing because of its smallness, but encouraging because of the change in trend.

For these reasons the advance in newsprint securities values can be justified, but it does appear that the advance has been too rapid in the light that values should and must eventually be based on earnings or a return on capital.

Net Income Low

The Canadian newsprint industry, from the point of view of earnings, is not much better off today than it was a year ago. True gross income from operations is larger because of the increase in production and sales, but the net amount available for fixed charges or dividends has not changed to any material extent.

Cut Overhead Expenses

The increase in business has helped to lower overhead charges, especially in power costs, etc. But the newsprint industry claims that in the last two years the cost of producing newsprint paper has risen $3 a ton. Thus the savings made in overhead through an increase in tonnage have only partially reduced the higher costs of labor and materials, going into the manufacture of paper.

There is a time when additional business means additional losses. This does not altogether apply to the newsprint industry. It can be said, however, that the increase in sales this year has not brought about a corresponding increase in profits.

In the case of companies with a below-average operating ratio, the increase in business has cut down overhead expenses. To the other group, the increase has been of little value.

Little Change Expected

It might be contended that with the increase in tonnage and the advance of $1 a ton on 1936 deliveries, the companies will experience a sharp upturn in profits next year.

An examination of the situation does not bear out this hope. The increase in demand has slowed down this year. The big gain came in 1934. Returns for 1935 will be somewhat higher than last year, but there is no basis for the expectation that 1936 sales will be any greater than in 1935. A moderate increase is possible; a small decline also is possible.

The dollar increase in selling price is welcomed by the manufacturers, who see in it a help to offset higher costs. The advance, however, will contribute little to the manufacturers' ability to meet interest charges or other senior obligations.

Still a Long Hold

Holders of newsprint securities may justifiably feel encouraged by the more hopeful outlook. Still it must be recognized that even under favorable circumstances the industry has a long way to go before it has developed an adequate earning power either in relation to present market values of securities or capitalization.

Leading Companies

Following are brief comments on the position of each of the nine companies covered in the tabulation:

ABITIBI

Operations of Abitibi Power and Paper continue under a receiver. There has been talk of a reorganization but no concrete proposal has been put forward either to the receiver or to the bondholders' committee. While the volume of business handled by the company this year has shown an increase over 1934, there is no expectation of a resumption of payments on the funded debt. A return on capital will be deferred until after the reorganization.

The unusually favorable showing made by Abitibi in the accompanying "valuation" table is largely due to the fact that production has been confined to the most efficient mills. Such units as Ste. Anne's, Espanola, etc., have been closed down. The relatively high earnings per ton of production does indicate, however, that with the greater use of productive facilities this company is in a position to demonstrate an above-average earning power.

The market value per ton installed as shown in column 9 is not out of the way, but the value per ton of production as shown in column 10 is higher than that listed for any other company.

This may be taken as a market recognition of the company's potential earning power based on the 1934 returns, together with the belief that the first mortgage bonds have a value, under a reorganization plan, above that given by the market today.

CAN. INTER. PAPER

Canadian International Paper with operations close to 90 per cent of productive capacity in 1934 shows up well in all classifications of the accompanying tabulation. It is important to realize that the profit shown has been due more to the returns on sulphite pulp production than from newsprint.

The company does not segregate income from newsprint. Consequently a comparison of the profits per ton with those shown for other companies is not altogether feasible. Canadian International Paper does not stand to benefit very much from additional tonnage, as its excess capacity is limited.

But given an increase of $1 or more a ton in the price of paper, the company would be able to make a much better showing in "net" earnings. The tabulation is of interest in that it shows the market value of the first mortgage bonds, together with bank loans, gives a value per ton of newsprint installed very closely in line with that of other companies. The valuation per ton of production indicates that the market has taken cognizance of the fact that the earnings reported cover a substantial income from sulphite pulp sales.

The assumption from a study of the figures is that C.I.P.s' earnings from newsprint are not as great as reported by some of the other operators.

CONSOLIDATED PAPER

The valuations worked out for Consolidated Paper place this company in the "average" class. The par value of the company's funded debt is out of line with current earnings, but the market value reduced the debt to what is a more normal level on the basis of productive facilities and production. While Consolidated has an income from kraft paper operations, most of its income is derived from newsprint sales. Net earnings per ton of output indicate that operations are on an economical basis in view of the limited use of equipment. The present market value of the bonds foreshadows another reorganization, or of asking the bondholders to continue the deferment of obligations on the bonded debt.

While the outlook for the company is brighter now than it has been in some time, there is little possibility of the company meeting interest obligations when they commence next July. Given a price increase of around $2 a ton on 1936 deliveries, the company might have scraped through next year, but with the increase now limited to $1 a ton, the odds are against the company.

DONNACONA

Market opinion toward Donnacona Paper bonds appears to be more favorable than is warranted by the facts. Next to Abitibi this company's bonds are selling at a higher point than for any other operator on the basis of the relationship between output and the market value of the bonds.

While Donnacona's financial position is above average, earnings from newsprint in 1934 were only fair considering that part of the income is derived from the sale of insulating board material.

GREAT LAKES

Speculative buying of Great Lakes bonds would appear to have placed a higher value on the company's equipment and production than would appear justified by earning power. Income on the basis of capacity and actual production is less than any of the other companies listed with the exception of St. Lawrence Paper Mills.

Affairs of this company have come in for a great deal of attention in recent weeks. While the company has no bank loans and appears reasonably assured of a fairly large volume of tonnage for 1936, earning power as demonstrated in the period of 10 months to April 30, 1935, does not hold out much promise of a return on capital until the price of newsprint is much higher than at present or as established for 1936.

LAKE ST. JOHN

Lake St. John Power and Paper's first mortgage bonds appear to be conservatively valued at present levels. The tabulation shows a developed earning power on the 1934 output. The fact that part of the interest is being paid has added to the value of the bonds, but aside from that the company has been able to make a somewhat better showing than the other companies both in relation to installed capacity and production.

Given a more adequate price for newsprint, the company would appear to have no difficulty in meeting interest charges on its senior debt.

MERSEY PAPER

Mersey Paper last year showed the greatest earning power of any of the nine companies listed in relation to its capacity. Its earnings per ton of output were junior to Abitibi and Canadian International Paper. The latter, as pointed out above, received a substantial part of its income from sulphite pulp sales. If allowance were made for this, Mersey's earning power stands out.

All the company's first mortgage bonds are pledged with the bank as collateral against loans. The only security in the hands of the public is the general mortgage bonds, upon which interest is being regularly paid. The value placed by the market on this security seems low in view of the demonstrated earning power at present price levels. Any advance in the price of newsprint would add substantially to net earnings.

In regard to tonnage, the company has nothing to gain, as the present volume of business is all that it can handle, unless the management is successful in switching some of the low-price "overseas" business for the more profitable American business.

PRICE BROS.

The huge and potentially valuable assets of Price Bros. & Co. have apparently unduly influenced the market value of the company's first mortgage bonds. In all the talks of reorganization for this enterprise, it has been assumed that the bondholders would not suffer either in the matter of principal or arrears of interest; in fact it is doubtful if any plan would receive serious consideration if it did not make such provisions.

On the basis of earnings, however, and also that no interest is being paid, the bonds are generously valued. With an output of around two-thirds of capacity in 1934, the company could not show a gross operating profit of better than $3.45 a ton. Only St. Lawrence Paper Mills and Great Lakes Paper made a worse showing. It has always been taken for granted that Price Bros. had low operating costs, but the returns for 1934 do not bear out this belief.

ST. LAWRENCE PAPER MILLS

St. Lawrence Paper Mills has no funded debt, but it has bank loans, notes payable and over $14 millions of preferred stock outstanding. Despite a relatively high operating ration in 1934, the company operated in the "red." The loss per ton of paper produced was $3.60.

High wood and power costs and other factors combine to limit earning power of this enterprise.

Last year the management did much toward strengthening the financial position of the company, but it is not expected that St. Lawrence will do much better than break even this year.

On the basis of equipment, St. Lawrence Paper Mill's preferred stock is very much undervalued. The value given by the market to the preferred on the basis of tonnage produced, on the other hand, does not appear out of line with the profit showing. The company would benefit from an increase in tonnage, but the greatest improvement is to be expected only when the price of newsprint is considerably above present levels. On $41 a ton newsprint, earnings will still be limited, and until newsprint values are several dollars a ton higher, the holders of the preferred stock cannot expect anything in the way of a dividend.

	(1) Annual Newsprint Capacity Tons	(2) Approx. Output in 1934 Tons	(3) Net Earnings	(4) Net Earnings Per Ton Capacity	(5) Net Earnings Per Ton Output	(6) Market Value of Senior Securities	(7) Market Value Per Ton Capacity	Market Value Output	(8) Bank Loans	(9) Value per Ton based on Bank Loans and Senior Security Capacity	(10) Value per Ton based on Bank Loans and Senior Security Output
Abitibi	590,000	240,000	$1,996,558 (1)	$3.80	$8.30	$16,772,782	$28.50	$70	$3,600,000	$40.25	$99
Can. Inter. Paper	560,000	495,000	3,607,793 (2)	6.10	7.30	17,574,375	31.40	35.6	524,000	32.20	36.60
Consolidated	600,000	295,000	2,017,245	3.36	6.75	10,538,414	17.30	35.	13,225,044	39.60	80.50
Donnacona	74,100	33,000	206,522	2.90	6.45	2,831,120	38.	86.	100,000	39.60	89.
Great Lakes	97,000	52,000	75,819 (3)	.78	1.46	3,775,000	39.	72½	....	39.	72.50
Lake St. John	80,000	68,000	405,822	5.22	6.15	3,391,920	42.50	50.	148,481	44.25	52.
Mersey	90,500	94,000	652,503	7.20	6.95	1,400,605	15.5	15.	3,658,000	56.	54.
Price Bros.	315,000	215,000	738,487	2.35	3.45	9,789,161	31.	45.5	2,693,000	39.75	58.
St. Lawrence	142,000	102,000	366,981 (4)	2.58 (4)	3.60 (4)	2,062,712 (5)	14.50	20.2	624,246	18.90	26.40

(1) Before depreciation and taxes, but after general expenses; most recent financial statement.
(2) After deducting $1,299,171 interest paid by Inter. P. & P. of Newfoundland; rated capacity and output covers mills in Canada only.
(3) 10 months to April 30, 1935.
(4) Loss.
(5) Preferred stock—no bonds.

Takes Issue With Dodds On Validity of Arguments

Editor, The Financial Post,—

Many will agree with you that it is a good thing for bankers, in their public announcements, to state their attitude to current criticisms and plans. It is not everyone, however, who will agree with you that Mr. Jackson Dodds was outstandingly successful in his speech to the Canadian Bankers Association.

Small Group in Control

In an attempt to show that a comparatively small group of men do not control the chartered banks, he said that the 163 bank directors are chosen by 49,500 shareholders whose average holdings are but 29 shares and who are scattered throughout the country. The fact that there are so many shareholders so distributed of course makes it far easier for a small group of shareholders to dominate a general meeting. It is doubtless technically correct to say that the shareholders elect the directors, but I challenge Mr. Jackson Dodds to mention a single one of the 163 directors who was elected except on the initiative of the other directors. Some, and perhaps many of them were elected by the directors to fill vacancies during the year, and subsequently confirmed in their appointments at a general meeting.

Interest on Deposits

He states that the banks pay millions of dollars annually in interest to savings depositors in order to attract the wherewithal to make loans. He complains that some people think that bankers can create deposits out of thin air; does he also suggest that, if banks stopped paying interest on savings accounts, deposits would vanish into thin air? It is difficult to see where else they would go if they left the banks. He quotes Sir Charles Addis when it suits his purpose, but does not mention that Sir Charles ridiculed the chief proposals of the banks as to monetary policy before the Macmillan Commission or that the Commission recommended that the banks should cease paying interest on the majority of their savings accounts.

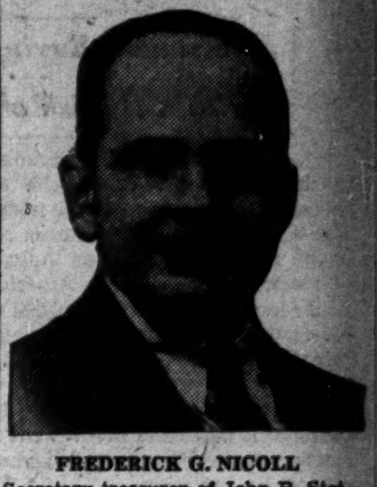
Inflation

Mr. Jackson Dodds says that inflation always increases prices, and ignores the endless number of resolutions at international conferences that an increase of prices is the one thing at which we should aim. Tracing the events following inflation, he says "Privation becomes universal," which I believe to be untrue in every instance, and which is certainly not the result in Canada of Mr. Bennett's inflationary policy during his last fifteen months in office.

You will not, I hope, conclude that I am advocating the nationalization of banks or a policy of inflation; I am merely suggesting the desirability of arguments by financial leaders against these measures having a greater measure of validity.

C. A. ASHLEY.
University of Toronto.

Elected Director



FREDERICK G. NICOLL

Secretary-treasurer of John B. Stetson Co. (Canada) Ltd., who was recently elected a director of the company.

C. Gordon Perry

Announcement of the election of Gordon F. Perry as a member of the Montreal Curb Market was erroneously made in The Financial Post last week. The announcement should have stated that C. Gordon Perry, partner of Flood, Potter and Co., has been elected a member of the Montreal Curb.

ELECTRICAL GIANT of the WORLD
Harnesses the Great "White Horses" to her Industries

MONTRÉAL MARKET DISTRICT

TO QUEBEC
N
Shawinigan Falls
Trois-Rivières
Louiseville
Ste. Agathe
Joliette
Sorel
Drummondville
St-Jérôme
Terrebonne
Vercheres
Montebello
MONTREAL
St. Hyacinthe
Quyon
Hawkesbury
Hull
OTTAWA
Granby
Sherbrooke
Magog
St. Johns
Ormstown
Huntingdon

BORN a French trading post, at the then farthest navigable point on the St. Lawrence, Montreal owes her present progress industrially and the unbounded promise for the future to the mighty St. Lawrence and the roaring rivers that discharge their waters into it.

Not only Montreal but all the industrial cities and towns in the Montreal Market District give credit for their development to the falling waters which are converted into power on level after level.

Here, indeed, is POWER in abundance — the "White Horses" that, harnessed and serving city after city over a network of transmission lines, multiply man's productivity. And only a fraction of the potential hydro electric energy has yet been developed.

1934—	H.P.	Population
United States	16,075,000	126,425,000
Canada	7,547,000	10,824,000
Montreal Market District	2,810,970	1,996,255

Over 50% of one block of power is apportioned:	
Pulp and Paper	32.4%
Asbestos Mines	9.6%
Aluminum Reduction	9.4%

With 2,810,970 horse power to serve nearly TWO MILLION people, the Montreal Market District has the greatest volume of energy per capita in the world —

The vast resources of timber have been translated into pulp and paper for world markets because power was immediately available. Forests bordering on swift running waters — here indeed, was a combination to create wealth for the people and employment for thousands !

Mining operations on a large scale would not be economically possible without the harnessing of the "White Horses" to the nearby mineral wealth, providing employment for executives, skilled and unskilled workers. Whole areas have been opened up, which must have lain dormant without power, and mining development is only at its beginning.

IN THE DISTRICT THAT IS PREDOMINANTLY FRENCH

Montreal and the District Cities lead the Dominion in the production of Textiles, Iron and Steel, Chemicals, Knitted Wear, Rubber Goods and many other products, because here are available in abundance the essentials, labour and power — not only in the mighty city at the centre but in the many surrounding cities and towns within the Montreal Market District.

Nature has been lavish with this District — supplying so liberally the energy needed for the economical conversion of natural resources into marketable products.

Taking advantage of the resources — power — raw materials — skilled and unskilled labour — industrial progress has been highly significant throughout the Montreal Market District.

A busy industrial population on salary, payroll and wages, creates a market for the products it needs and is so ready to buy.

And there you have the chain — people — abundant power — busy factories — prosperity — comfortable homes — purchasing ability.

The Montreal Market District is a rich, concentrated market of nearly TWO MILLION people—72.8% of whom are FRENCH. It is a market well worth cultivating to the full. It responds excellently to intelligent sales effort and organization, backed by adequate advertising in the language most of the people speak, think, read and buy . . . FRENCH.

MONTREAL MARKET DISTRICT
1,996,255 - - - 72.8% FRENCH

The facts presented here have been gathered by the Montreal La Presse, in the interest of manufacturers and others who desire to develop trade possibilities in Canada.

For further information address the Business Manager, La Presse, Montreal or
S. L. Rees, 213 Metropolitan Bldg., Toronto, Ont. — The Clougher Corporation Ltd., 26 Craven St., London, W.C.2.
William J. Morton Co., New York Office: 200 Fifth Ave. — Chicago Office: 410 N. Michigan Ave.

YOU MAY BE STRONG ENOUGH IN ONE LANGUAGE, HOW ABOUT THE OTHER?

Investment Trends —

Investment Buying Cushion for Stocks

• • •

Britain Bullish on North America

A deep cushion of investment demand lies beneath stock market reactions. It can be expected to absorb stocks on recessions, which constitute normal, healthful purges of prices. The dual stimulus of business recovery and inflation of credit is the major, basic facter indicating that the long-term trend of stock prices in North America is upward.

French financial difficulties can be solved by: (1) Further internal deflation; (2) Devaluation of the franc; or (3) Rising international commodity prices. If devaluation is staved off, rising prices may provide a gradual solution. Meanwhile France will continue to constitute a disturbing factor for international finance and investment markets. If Germany and Italy continue on their present courses, they will land in bankruptcy, driven by inflation.

Settlement of the Hydro contract question may not be as distant as has been feared.

The King government is going to let well enough alone and allow business to recover without interference. Absence of state regimentation of industry is an encouragement for the investor, but the matter may not be clarified for some months yet.

Market Set-back

IT HAS been stated so often that stock prices were due for reaction that most authoritative commentators are entitled to say "I told you so," of the events of the past few days. Still, a few days does not make or break a market. A period of indeterminate fluctuations of prices would allow stocks to adjust themselves to levels far above those of last spring.

Technicalities aside, the action of market averages in breaking through previous high levels prior to the recent set-back is considered encouraging. For the short term, however, it would be risky to count on a rapid resumption of rising prices.

If another short-term advance is coming, there will be signs of preparation. The most apparent of them would be further declines of prices or a drying up of the volume of trading, or both.

* * *

Stocks Preferred

BRITISH and European opinion continues favorable to further recovery on this continent. Consequently money continues to flow to New York, and directly and indirectly to Canada, for investment, particularly in stocks.

A characteristic view is expressed in a British investment letter, as follows:

> "There is no diminution of signs that business is improving in the United States; indeed the tokens accumulate in a rather bewildering fashion . . . Undoubtedly one of the factors helping business to expand in the United States is the juridical escorting of the government from the business scene.
>
> "The chairman of a British investment trust company stated at the annual meeting recently that the major change in the company's investments during the past year had been an increase in the amount of American securities held."

Another British investment trust official recently went further. He commended investment in North American securities, despite what he considers the unsoundness of government spending. He added:

> "I think that bonds and preference shares are too high at this time, and although common stocks look high I think they will go higher."

It should be noted, of course, that the British investment trust does not buy for an overnight profit, but expects to add to its wealth and income by buying and holding stocks for several years.

British opinion of Canadian investments has been sweetened slightly by the success of the recent Dominion loan and by other actions of the King government. If the Hydro questions were settled amicably — which is not improbable — British investment in Canada might be expanded. This is a possible source of further strength in Canadian securities.

* * *

Political Disturbances

WITH the re-election of the Taschereau government in Quebec, the worst of election disturbances in Canada have been passed, perhaps for several years. Nevertheless, the Canadian investment scene will continue to be sensitive, particularly in the next few months, to American politics.

Reconvening of Congress in January cannot be considered a strength to stock markets. Radical legislation is on the tapis. The Roosevelt cohorts, however, appear to be waking up to the fact that better business is the best electioneering device. There may, therefore, be fewer schemes to interfere with business in its march to recovery. In spite of political meddling, the forces of recovery may well be so potent as to conquer all obstacles. Hence, well-selected equities should be profitable, paying investments for the investor who is willing to hang on.

* * *

Market's Choices

THE question of selection of equity investments is the important one. In recent stock market slumps, there were a number of advances in Canadian shares against the general downward trend. The market was doing the selecting. Among the more active of these noteworthy performers were:

Bell Telephone — Because of its long history as a profitable investment medium and because its revenue, and possibly its dividend, will increase with general business recovery.

United Fuel preferred—Because of the improving financial position of the Union Gas group.

Hinde & Dauch—Because of steady improvement in the container business.

English Electric A and B—Because of diversification of production and maintenance of strong finances through the depression of electrical equipment manufacturing.

Loblaw A and B—Because steady internal expansion is increasing sales and is expected to raise earnings eventually.

Page-Hersey — Because the company continues to maintain earnings despite the depression and sundry other disturbances.

Bank shares — Because they offer comparatively attractive yields and because the turning point, or at least the stabilization point, in bank earnings appears to have been reached.

* * *

Oddments

Higher margin requirements, requisite in the United States and fashionable in Canada, do not furnish much greater protection from stock market slumps. In 1929, huge margins only protected weak holdings, thus preventing prompt liquidation. At present, the chief safeguard against serious declines is steady absorption of shares for long-term investment.

* * *

Election of a strong opposition in Quebec weakened utilities in Montreal. The belief is that the opposition to private ownership of utilities in Quebec is being strengthened.

* * *

The pound sterling remains near $5 in Canada, to the benefit of primary producers and of the country as a whole. It will be weakening to Canadian security prices if sterling dips below $4.87.

* * *

The wheat situation continues favorable to Canadian milling firms, whose shares have risen because of improved conditions in the industry. If the high pound allows disposal of government wheat at present levels, Canadian milling companies may have a much improved year when their books are closed next summer.

* * *

Ontario's Industrial Standards Act is a barrier to recovery of house-building in provincial zones where it operates. If it and the restrictive provincial laws were modified materially, the long-awaited building recovery might come fairly rapidly.

* * *

For what they may be worth, the following are briefed opinions of four leading American investment services:

1. Advise well-invested position in equities.
2. Suggest extreme caution as prices of many stocks are outrunning earnings.
3. Recommend extreme care in extending stock investments.
4. A solid basis still exists for continued strength in stocks.

Government,
Municipal, Public Utility
and
Industrial Bonds

•

List of current offerings furnished
on request

NESBITT, THOMSON
and Company Limited
355 St. James Street, Montreal
Branches in all Principal Cities of Canada

119

Disher Steel Hopes to Show Higher Income

Disher Steel Construction Co. hopes to show improvement in its income account this year. In 1934, a net loss of $8,636 was shown, and this was increased to a deficit of $13,646 after allowing for depreciation.

The company's business for the first half of 1935 was unsatisfactory, but in recent months has improved. The gains have not been sufficient to bring a major advance in earnings, but are welcome in view of the deeply depressed conditions amid which the steel and construction trade have been floundering. There is no early prospect of resumption of dividends on the company's class A preferred shares.

Construction programme of the Dominion Government has been of some benefit, although it has consisted of a scattering of business across Canada.

The outlook for 1936 is uncertain because there is no back-log of orders to count on. The company, like most of the construction industry, has to depend on month to month orders of modest size, under present conditions.

Investment Notes

Canadian Car

The receipt of new business from the Canadian National and Canadian Pacific railways came too late to have any material effect on operations and earnings of Canadian Car and Foundry in the past year, consequently the benefits from the recent car orders will be more fully shown in the statement for the current year.

* * *

Shawinigan

Common stock of Shawinigan Water and Power Co. has shown a steady increase in market value in the past two or three weeks. Not only have power operations of this company been well ahead for the current year, but other developments, particularly in the chemical field, have revived interest in the long term possibilities of this company's securities. Under the terms of the Canada-United States trade agreement, Shawinigan Chemicals will benefit largely from the reduction in the duty on acetic acid. This should be of considerable help, both directly and indirectly. In other fields revenues have been increasing. Income from power sales is on a higher scale this year. While it is still too early to make any definite pronouncement on share earnings for 1935, the returns for the first three quarters would indicate that the company will earn $1.25 or better a share on the capital stock. This compares with the dividend of 50 cents a share. There is no immediate expectation of an increase in dividends, but given another year of continued improvement in business, the way would be open for the management to increase the disbursement to shareholders.

* * *

C.P.R.

Marketwise the stock of the Canadian Pacific Railway has been in the doldrums for many months. The recent awakening of interest among investors in the common shares of the better known Canadian enterprises has directed attention to C.P.R. shares, with the result that the recent value has been above the average for the past several weeks. The report on railway operations does not indicate that the 1935 financial statement of the C.P.R. will be appreciably better than in 1934, when the net covered dividend rate on the preference shares. Investors have in mind the recuperative powers of this company. Given a return of better business and the movement of primary products to the United States under the new treaty, the Canadian Pacific would not be long in putting a real earning power back of its ordinary shares.

* * *

National Breweries

Common shares of National Breweries continue strong on the Montreal market. Throughout the depression the company has continued paying the regular dividend and among Montreal investors, the stock of this company is highly regarded. At the present price of 39, the yield on the common stock is just over 4 per cent on the basis of $1.60 dividend. Despite the relatively low yield, the stock has been and is being steadily accumulated in anticipation of an increase in the dividend rate. There has been a lot of talk along this line for several months and the belief exists that the company will increase the rate to $1.80, or even to $2 a share.

* * *

Canadian Bronze

Among those companies which benefit from the general freshening of business is Canadian Bronze. Its operations and earnings are largely dependent upon the railways. The more the wheels turn round, the more Canadian Bronze prospers, for it supplies the Canadian railways with practically all of their bronze bearings. While the management has not released any particulars on operations for the current year, it is understood that to date there has been a fairly substantial increase in business as compared with 1934. This is taken to mean that profits also will be higher, in which event the company should show better than $1 a share on the common stock—the amount reported for 1934.

* * *

Canada Bread B

Under existing conditions, Macrae & Co., Toronto investment firm, considers it likely that the full dividend will be earned this year on the B shares of Canada Bread Co. Actual earnings in the year ended June 30, 1935, were $55,000 and annual dividend requirements on the A and B shares are now $125,000. The company started dividends on the first preferred last Oct. 1. Competition is still keen in the bread and cake business, but co-operation of bakers has been extended. Dividends on the new B stock accrue at $2.50 a share annually from July 1, 1935.

CANADA MALTING DECLARES BONUS 50 CTS. A SHARE

W. G. Knee, Toronto Manager, Elected to Board of Directors

The long-looked-for bonus on the common stock of Canada Malting Co. has been declared. Announcement of an extra dividend of 50 cents a share was made at the annual meeting in Montreal.

"As indicated in the last two annual reports the company has enjoyed, during the past two years, exceptional profits, due to export trade," reads the official statement. "In view of this, the directors have declared a special extra dividend of 50 cents per share, payable Dec. 15 next. This is an addition to the regular quarterly dividend of 37½ cents per share payable on the same date."

Bonus Forecast

A bonus by Canada Malting has been forecast for some time. During the past three years earnings have been well in excess of dividends. In the year ended July 31, 1933, $2 a share was earned on the common; in 1934, $3.12 a share; and in 1935, $2.86 a share. In each of these years $1.50 a share was paid in dividends.

At the 1934 annual meeting A. C. Matthews, president, stated that directors felt that an additional distribution to shareholders would not be justified unless domestic sales showed more stability and a higher ratio in proportion to a more or less uncertain export demand. In the year ended July 31 last the company reported a substantial improvement in domestic sales. Sales in the home market amounted to 63 per cent of the total as compared with 47 per cent of the total in the previous year.

W. G. Knee, manager in charge of operations at the company's Toronto plant, has been elected to the board of directors to fill the vacancy created by the death of C. D. McFarland.

Continental Can Co. Incorporates Here

Continental Can Co. of Canada Ltd., has been incorporated under the Dominion Companies Act, to control the business of Whittall Can Co., recently acquired by Continental Can Co., Inc., New York.

Continental Can Co. of Canada has a capital stock of $50,000, divided into 5,000 shares of $10 par value each. The head office is in Montreal.

B. C. Packers Ltd. Gets Letters Patent

Letters patent dated Nov. 5 have been issued by the Secretary of State at Ottawa, confirming the plan of reorganization of B. C. Packers Ltd., agreed upon Oct. 21, 1935.

It is now expected that completion of the scheme, by issue of new common shares, will be effected shortly. Holders of preferred shares will be entitled to receive 2½ new common shares for each present preferred share. Holders of common will receive one new share for each ten now held.

The letters patent make the scheme of reorganization binding upon all shareholders of the company.

Can. Permanent Mortgage Names Two New Directors

George H. Gooderham and Charles S. Robertson have been appointed directors of the Canada Permanent Mortgage Corporation, filling the vacancies created by the death of William Stone and W. G. Gooderham.

G. H. Gooderham, a brother of the late president of the corporation, is president of the Dominion of Canada General Insurance Co. and a director of Maple Leaf Gardens and the Canadian National Exhibition. Mr. Robertson was recently appointed joint general manager of the corporation.

Beaubien Sells Westmount Bonds in Three Series

From Our Own Correspondent

MONTREAL.—L. G. Beaubien & Co. Ltd., are making a public offering of $220,000 of City of Westmount 3½ per cent non-callable bonds. The bonds are in three series, the 1936-45 maturities having been sold privately; the 1946-60 maturities, being offered at 100 and accrued interest; and the 1961-75 maturities, being offered at 99½ and accrued interest.

Proceeds of the present loan are to provide for the city's share of the cost of the River St. Pierre sewer.

MAPLE L. MILLING TO PAY INTEREST DUE DECEMBER 1

Everett Bristol, K.C., is Elected President to Succeed Dunning

With operations of Maple Leaf Milling Co. showing improvement in the first quarter of the current fiscal year the December 1 interest payment on the company's first mortgage bonds will be paid, D. C. MacLachlan, general manager, announced at the annual meeting of shareholders.

This allays fears that the company might not meet its interest payment. Under the reorganization scheme passed in 1934 the Dec. 1 interest payment on the first mortgage bonds in the years 1934 to 1938 inclusive is to be made in cash and the June 1 payment by the issue of class A shares. With the cash bond interest only partially covered after depreciation, doubts were expressed in market circles that the bond interest would be paid. Cash on hand as at July 31 last amounted to only $55,480. About $130,000 will be required for the Dec. 1 payment.

New President

Everett Bristol, K.C., was elected director and president of the company to succeed Hon. C. A. Dunning, who resigned on accepting the portfolio of Minister of Finance in the federal government. Mr. Bristol explained that he accepted the presidency only temporarily until a suitable occupant for the presidency was found. Other directors were re-elected.

Healthier Condition

Mr. MacLachlan, in addressing the meeting, stated that the company's balance sheet is in a healthier condition, on account of conservatively priced inventories and the writing down of doubtful assets, than it has been for years. There is nothing fundamentally wrong with the company's earning power, he said. Gross earnings in the past four-year period have had to provide for unusual and non-recurring write-offs.

Referring to operations in the first quarter of the current fiscal year, Mr. MacLachlan stated that there has been a great improvement when compared with the corresponding three months of the preceding year.

On Investments

When an investment portfolio includes a suitable proportion of Dominion of Canada Bonds, a sound foundation has been laid for a diversified list of securities. Every investor should hold Dominion of Canada Bonds.

Dominion of Canada 3% Bonds, due June 1st, 1955 (callable June 1st, 1950 at 100 and interest) are available in denominations of $500 and $1,000.

Price: At the market, to yield about 3.12%.

Mail orders receive prompt attention.

Wood, Gundy & Company
Limited
Toronto
Montreal
Winnipeg
London, Eng.
36 King Street West
Toronto
Telephone: Elgin 4321
Ottawa
Hamilton
Vancouver
London, Ont.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 19	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	108.1	128.9	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
July	122.2	10.6	57.4	210.6	66.7	128.5	116.7	143.8	44.7	95.5
August	122.1	12.0	59.3	210.0	65.5	130.1	122.9	146.1	47.7	98.2
September	118.7	12.4	61.2	206.6	61.8	128.7	126.5	147.1	46.3	97.5
October	123.0	12.6	60.9	215.1	63.5	134.4	133.2	152.9	45.6	100.0
Weekly Figures, 1935:										
Nov. 7	128.6	13.7	64.6	231.8	69.4	143.2	149.3	163.7	48.2	106.7
Nov. 14	126.9	14.0	66.4	230.9	68.7	144.4	152.9	168.3	49.6	108.7
Nov. 21	127.5	15.2	67.7	228.9	68.4	146.5	163.0	172.3	52.2	111.9

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Nov. 26	125.04	110.68	107.95
Nov. 25	125.92	111.28	108.46
Nov. 23	127.30	111.30	106.35
Nov. 22	126.08	111.31	106.32
Nov. 21	128.07	111.62	106.77
Nov. 20	127.13	110.23	104.02
Month ago	117.72	104.99	95.53
Year ago	101.98	106.32	79.15
High, 1935	128.33	123.68	109.40
Low, 1935	97.90	96.70	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Nov. 26	67.7	65.5	66.2
Nov. 25	69.4	65.7	66.9
Nov. 23	69.6	66.2	67.3
Nov. 22	69.5	66.4	67.5
Nov. 21	69.6	66.7	67.7
Nov. 20	69.4	66.1	67.2
Month ago	62.2	60.4	61.0
Year ago	58.4	56.7	57.3
High, 1935	69.6	66.7	67.7
Low, 1935	56.1	54.8	56.1

NEW ISSUE

$4,500,000

Union Gas Company of Canada, Limited

(*Incorporated under the Ontario Companies Act*)

First Mortgage Bonds

(Closed Issue)

To be dated December 1, 1935

To Mature	Interest Rate	Par Value
December 1, 1936	3½%	$ 250,000
December 1, 1937	3½%	250,000
December 1, 1938	3½%	250,000
December 1, 1939	4 %	250,000
December 1, 1940	4 %	250,000
December 1, 1941	4 %	250,000
December 1, 1942	4 %	250,000
December 1, 1943	4½%	250,000
December 1, 1944	4½%	250,000
December 1, 1945	4½%	250,000
December 1, 1950	4½%	2,000,000

Price 1950 Maturity: 98 and accrued interest, to yield 4.68%

Prices 1936 to 1945 maturities, inclusive, upon application

Principal and semi-annual interest (June 1 and December 1) payable in lawful money of Canada in the Cities of Halifax, Saint John, Quebec, Montreal Ottawa, Toronto, Chatham, Winnipeg, Regina, Calgary or Vancouver, at the option of the holder. Bonds of the 1936 to 1945 maturities inclusive redeemable, in whole or in part, at the option of the Company, at any time prior to maturity, on 30 days' notice, at the following prices: 1936, 1937 and 1938 maturities at 100%; 1939, 1940, 1941 and 1942 maturities at 101%; 1943, 1944 and 1945 maturities at 102%; in each case with accrued interest to the date of redemption. Bonds of the 1950 maturity redeemable, in whole or in part at the option of the Company, or for Sinking Fund purposes, at any time prior to maturity, on 30 days' notice, to and including December 1, 1940 at 103%; thereafter to and including December 1, 1945 at 102%; and thereafter, prior to maturity, at 101%; in each case with accrued interest to the date of redemption. Coupon bonds, registerable as to principal, in denominations of $1,000 and $500. Fully registered bonds, 1950 maturity only, in denominations of $1,000 and authorized multiples thereof. Coupon and registered bonds interchangeable.

Bonds to the aggregate par value of $2,500,000 will mature in instalments of $250,000 par value in each of the years 1936 to 1945 inclusive, and the Trust Deed will provide for a Sinking Fund for bonds of the 1950 maturity, under which on December 1 in each of the years 1946 to 1949 inclusive, a payment of $250,000 is to be made by the Company to the Trustee to be applied to the purchase of bonds of the 1950 maturity at or below the redemption price, or failing this, to the call by lot of such bonds at redemption price. The Company will have the right to purchase bonds of the 1950 maturity, and to tender same, at the par value thereof in satisfaction of the whole or any part of such payment. These payments will retire prior to maturity approximately $1,000,000 par value of bonds of the 1950 maturity. The Company will reserve the right to anticipate any Sinking Fund payments and to receive credit therefor in subsequent years.

Trustee: National Trust Company, Limited, Toronto.

Information with respect to the operations and financial position of the Union Gas Company of Canada, Limited, and further details relative to these bonds are contained in the official circular, copies of which are available upon request.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close subscription books at any time without notice. It is expected that Trustees' Interim Certificates will be ready for delivery in January, 1936.

These Bonds are offered for sale if, as and when issued and received by us and subject to the approval of all legal details in connection with the creation and issue of the Bonds and the validity of the Trust Deed securing the same, as follows:
Messrs. Long & Daly, on behalf of the Underwriters;
Messrs. Blake, Lash, Anglin & Cassels, on behalf of Union Gas Company of Canada, Limited;
and subject to the favourable opinion of Messrs. Kerr, McNevin & Kerr, Solicitors for Union Gas Company of Canada, Limited, as to the mortgage and charge to be created by the Trust Deed.

In the opinion of our Counsel, based on the Appraisal of Stone & Webster Engineering Corporation mentioned in the offering circular, these bonds will be lawful investments for the funds of Insurance Companies registered under The Canadian and British Insurance Companies' Act, 1932 (Dominion)

The Dominion Securities Corporation, Limited
Wood, Gundy & Company, Limited
W. C. Pitfield & Company, Limited
Nesbitt, Thomson & Company, Limited
Midland Securities Corporation, Limited
Hanson Bros., Incorporated

(The Statements contained herein are based upon information which we believe to be reliable, but are in no event to be construed as representations by us.)

Bond Markets

Prices High Despite Inflation

* * *

Serious Investor Problems

Government bond prices remain high, despite the problems of deficits, largely because credit in Canada and abroad has been inflated. It will require a great deal of business expansion to absorb credit in sufficient amount to depress bonds materially. Because credit expansion forces purchases of bonds, high prices reveal the influence of inflation at work. This can go on for some time, but must come to an end sooner or later.

A slight tendency to softness in government bonds in the past few days is attributed to year-end adjustments of banks.

Corporation bond issues selling above 100 and bearing coupon rates of five per cent or higher all carry a definite risk of redemption for refinancing at lower rates.

Increasing tax collections from coast to coast are helpful, but unemployment relief costs remain a hazard to municipal securities.

Bond Buyer's Puzzle

AN UNUSUALLY conservative investor who recently sold power bonds affected by the Hydro controversy expresses these views of alternative issues:

Municipal bonds—Having had the misfortune to hold one or two defaulted municipals would not buy more civic bonds at present.

Utilities—In view of the Hydro situation, and baiting of private ownership, would not reinvest in utilities.

Stocks — Never having bought stocks, even such as Bell Telephone and Consumers Gas, would not care to venture into them.

Dominion bonds—Yields too low to attract me.

Western provincials—Dislike them because of financial difficulties and nerve-racking political agitations of recent months.

There are good grounds for all these criticisms. Yet, there are attractions in all these fields, with the possible exception of long-term Dominion bonds. As an aid in solution of this investment problem, The Financial Post will publish a survey of western provincial bonds in an early issue.

* * *

Government Problems

ANNOUNCEMENT by Hon. Charles Cockroft, Alberta Minister of Municipal Affairs, that the provincial deficit this year would be $9 millions is honest if discouraging. Mr. Cockroft included in his calculation of the deficit, expenditures on unemployment relief. His revelation merely shows the seriousness of the problems of government finances.

The forthcoming premiers' conference at Ottawa will make a serious effort to deal with the relief problem, the enormous burden of which is shown on page 11. It must be recognized that a substantial portion of such costs should be included in ordinary expenditures and paid from current receipts. Until this is done, government bonds of all sorts will remain under a cloud. The problem of deficits is the underlying weakness concealed by high bond prices. These high quotations cannot be expected to last indefinitely unless government finances are restored to solvency.

* * *

Merry-go-round of Bonds

NEWSPRINT bonds are being shunted around from dealer to dealer. The ordinary investor is not the major factor in causing the activity in these speculative issues. The same bonds keep turning up in dealers' delivery cages, indicating that "professional" trading accounts for much of the activity. When a dealer happens to have sold a few more bonds than he can buy readily, prices stiffen while the shortness is being rectified.

Because there is no official listing of bonds, and no ticker to tell the investor where the market stands at all times, this business is more than ordinarily risky for the tyro.

* * *

New Financing

AMONG new financing: Lower St. Lawrence Power issue of 5's is not all placed yet; Union Gas offering is finally being made; Maritime Telephone bonds are reported to be well received; T. Eaton Realty redemption of its 5's will remove a most popular real estate security from the public's hands.

A great deal of corporation refinancing is in prospect for the next year.

* * *

Market Movements

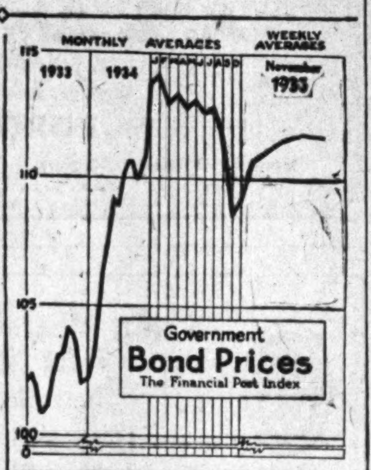
NEWS that the Saskatchewan issue of $3.5 millions had been placed successfully, lifted prices of western provincial bonds fractionally in the week to November 26. There were conflicting movements in the western list due to realignment of yields. The premium on United States dollars is having the effect of reviving the payable clauses as influences on prices.

Corporation bonds have been firm, due to yields that are still attractive despite price advances. It should be noted that every piece of corporation refinancing at reduced interest rates turns funds into other corporation securities. Even without outside buying, which is coming from the United States, this refinancing would spread the field of low interest rates. There is no way out of lower interest rates except in somewhat more risky securities.

Gilt-edged government bonds have been extremely quiet with minor price changes as indicated below:

The Financial Post Average Yield and Price For Seven High Grade Bonds

1935	Yield %	Price $	1934	Yield %	Price $
Nov. 26	3.624	111.38	Nov. 26	3.690	111.59
Nov. 25	3.627	111.32	Nov. 24	3.696	111.54
Nov. 23	3.604	111.61	Nov. 23	3.696	111.54
Nov. 22	3.604	111.61	Nov. 22	3.699	111.48
Nov. 21	3.604	111.61	Nov. 21	3.700	111.46
Nov. 20	3.604	111.61	Nov. 20	3.704	111.43
Nov. 19	3.601	111.59	Nov. 19	3.710	111.40
Nov. 18	3.599	111.61	Nov. 17	3.706	111.45
Oct. 31	3.700	110.62	Oct. 31	3.807	110.30
Year's Range	3.367 4.097	114.97 106.57	Year's Range	3.373 4.517	115.00 102.54



WINDSOR BONDS REMAIN IN COLD IN NEW BUDGET

$3,150,000 Estimate of Costs for 1936 — Bonds Await Refinancing

An administrative budget of $3,150,000 for 1936 has been proposed by the Windsor Finance Commission which has the responsibility of supervising expenditures of the four defaulting municipalities that have been merged into one city. This compares with a total of $3,397,207 for the four budgets in 1935.

If tax collections reach $4 millions, the approximate average of the past three years, there would be only $850,000 left over for bond holders. This would amount to only 2½ per cent on the $40 millions of debt involved. It would allow nothing for debt retirement.

Issues Involved

It is presumed that it is planned to apply all tax collections above the budgetted expenditures to servicing the Windsor debts. This, however, makes no allowance for refinancing of the defaulted bonds of the constituent municipalities, Windsor, Walkerville, East Windsor and Sandwich.

Each of the four municipalities will have its separate tax rate; based on assessments and capacity to pay in each area, and on the proportion of the total debt incurred by each of the merged municipalities. In any refinancing, each municipality's bonds will be treated differently, according to the capacity of the individual municipality to pay. It is apparent, therefore, that if only 2½ per cent interest, and no principal, were available some of the municipalities would be paying more, some less, than 2½ per cent. This would be highly unsatisfactory to bondholders.

Bond Interest Problem

Until the tax rates for the individual municipalities are established, and until refinancing of debenture debt is arranged, it is impossible to ascertain what amount should be included in the budget to meet bond charges. The proposed budget, however, lays a basis for administration of Windsor's civic services on a prearranged scale, even if negotiations for refinancing the city's debts are protracted.

CROWN CORK CO. COMMON STOCK SOLD TO PUBLIC

Greenshields and Co. Dispose of 30,000 Shares at $12 a Share

From Our Own Correspondent

MONTREAL.—Greenshield & Co. have distributed 30,000 shares of no par value common stock of Crown Cork and Seal Co. at $12 a share.

Several years ago this company made a public stock offering to the same underwriters. Shortly after the stock was repurchased by the parent company in the United States. The present offering is part of the 100,000 issued shares and does not constitute any additional financing.

Particulars of the issue follow:

30,000 Shares
Crown Cork and Seal Co.

Company — Formed in 1935 to acquire assets of a company with the same name. Largest and principal manufacturer and distributor of crown corks in Canada. Controlled by Crown Cork International Corp. of Jersey City, N.J.

Capital—	Authorized	Issued
Common stock .... N.p.v.	100,000 sh.	100,000 sh.

Earnings—For six years ended Dec. 31, 1934, amounted to $114,000, or $1.14 a share. After all expenses, depreciation and taxes, totalled $87,843 for eight months ended August, 1935, compared with $84,780 for all of 1934.

Assets — Net assets on Aug. 31, 1935, totalled $705,597; net current assets $423,633.

Management—Remains unchanged.

Dividends—It is proposed to place the stock on an annual basis of 80 cents a share, or 20 cents quarterly.

Offer—Block of 30,000 shares offered by Greenshields and Co. at $12 a share.

Brazilian Services Outside War Areas

The insurrection in the northern states of Brazil does not affect any territory served by Brazilian Traction, Light & Power Co. Nevertheless President Vargas declares the revolt is part of a nation-wide communist plot and he has put the whole nation in a state of siege.

President Vargas himself led a successful revolution some years ago but his forces came from Rio Grande do Sul in the south. He is now head of a constitutional congress duly elected under a brand-new constitution.

Communist success, judging by manifestos being circulated in Brazil, would be bad news for shareholders of Brazilian. One such manifesto declares for taking over all property owned by foreigners and would even expel foreigners.

Brazil's dependence on foreign capital and on foreign consumers is not mentioned. But the communists have heavy guns in the shape of promises of higher wages, shorter hours and continuous employment for all workers. Nevertheless the government expresses confidence in the result.

FIRSTBROOK BONDS ACCEPT EXCHANGE FOR GAIR NOTES

Approval Given in Face of Withdrawal Threat By Gair Interests

Threatened with the withdrawal of the Gair interests should the deal not go through, bondholders of Firstbrook Boxes at a meeting on Nov. 25 voted to accept the offer of Gair Co. of Canada for their bonds.

The offer, as accepted by the meeting, provides for the exchange of six per cent first mortgage bonds of Firstbrook Boxes for 80 per cent of their face value in six per cent income notes of Robert Gair Co. Inc. Firstbrook bondholders have the alternative of accepting payment in cash, 50 cents on the dollar. Gair Co. of Canada is a wholly-owned subsidiary of Robert Gair Inc.

Despite stubbon opposition by several small bondholders, the scheme was approved by a large majority when institutional holders voted solidly in favor of the resolution presented to the meeting. Out of a total of $270,600 of bonds represented, $240,600 voted in favor of the Gair offer. Bonds owned and controlled by Robert Gair Inc. were not voted at the meeting.

Profits Sharply Higher

A statement sent to bondholders prior to the meeting reveals that there has been marked improvement in the company's business during the current year. Profits in the first ten months, after allowing for depreciation, were more than sufficient to pay a year's interest on the first mortgage bonds.

Working capital has also improved, being $46,641 higher than at Dec. 31 last. During the ten-month period bank loans were reduced by $14,464 to $6,731.

Details of the ten-month statement are given below:

Profit and Loss Statement
10 Months Ended Oct. 31, 1935

	$
Sales less freight	920,822
Sundry revenue net	13,050
Sundry transfers	67,395
	1,001,267
Less expenses:	
Material	633,880
Labor	72,178
Overhead	116,341
Selling exps.	96,374
Administrative	44,037
Financial exps.	4,679
NeNt earnings	*33,778

*After depreciation. Provision for depreciation totalled $19,672. Profit before depreciation amounted to $53,450.

Gair Withdrawal Disastrous

F. L. Whitaker, a director of the company, in reply to a question, stated that if the offer was not accepted the Gair interests would withdraw from participation in management. This, he claimed, would be disastrous to Firstbrook Boxes since a great deal of the machinery in the company's plant is owned by Robert Gair Inc. He also stated that improvement in the company's position had been largely due to additional business obtained through the efforts of Gair Co.

Doubt as to whether Robert Gair Inc. would withdraw was expressed by W. M. Cox, representative of Gairdner & Co., underwriters of the bonds. He pointed out that Gair has a substantial interest in the company, having accumulated all of the preferred stock in addition to a block of bonds. It also owns 73 per cent of the common stock.

Shareholders Must Approve

Although the offer to bondholders was contingent upon prior acceptance by common shareholders of the proposal for the sale of the company, this had not been obtained. Mr. Willoughby assured the meeting, however, that the offer would be amended to take care of this situation.

Difficulty has been encountered in obtaining the sanction of common shareholders. Under the reorganization plan in 1932 common shares were placed in a voting trust, consisting of representative of Robert Gair Inc. and the bondholders, until outstanding bond interest had been paid in full. In a ruling handed down last week Mr. Justice McEvoy held that the trustees cannot vote on the sale of the company's assets. Judgment on an appeal from this decision has been reserved. A meeting of shareholders has been called for Dec. 3.

1950 MATURITY UNION GAS BONDS TO YIELD 4.68 P.C.

Prices of Other Maturities in $4.5 Millions Issue on Application

Public offering is being made this week of the $4.5 millions issue of Union Gas Co. of Canada first mortgage serial bonds by a syndicate comprised of Dominion Securities Corp., Wood, Gundy & Co., W. C. Pitfield & Co., Nesbitt, Thomson & Co., Midland Securities Corp. and Hanson Bros., Inc.

The bonds mature serially from 1936 to 1945 except for $2 millions of 4½ per cent bonds which mature on December 1, 1950, and which are being offered at 98 and accrued interest to yield 4.68 per cent. Yields of earlier maturities vary and prices can be obtained on application for $750,000 3½ per cent bonds maturing in from one to three years, for $1 million 4 per cent bonds maturing in the next four years, and for $750,000 4½ per cent bonds maturing 1943 to 1945 inclusive.

Prospectus accompanying offering of Union Gas Co. $4.5 millions of serial bonds shows earnings for the six months ended Sept. 30, 1935, at $296,728 before interest, depreciation, provision for development costs and Dominion income tax. In the same period of 1934 the earnings were $227,643. Last year $486,000 was deducted for depreciation and provision for development costs for the whole year.

The combined annual interest on all bonds of the company and of Windsor Gas Co. will be $244,125 when the new bonds are sold. The income in the year ended March 31, 1935, available for payment of interest if this financing had then been effective would have been $461,254 and for the five years ended on that date $499,255 on the average yearly. Because the company has been supplying natural gas to London since October 1, it expects these earnings to improve in the year ended March 31, 1936. On account of demand for heating purposes the winter months are most profitable to the company.

Pays Off Bank Loans

The company shows a working capital deficiency of $416,395 in the new adjusted balance sheet whereas in the balance sheet consolidating its affairs with those of Windsor Gas Co. and City Gas Co. of London it showed working capital of $406,330 on March 31. But on March 31 it showed its bank loans of $5,250,000 and since then the transmission line from the Dawn field to London and the new Dawn field lines have been built. It is stated that the bank loan should disappear entirely before March 31, 1936.

Particulars follow of the issue:

$4,500,000

Union Gas Co. of Canada, Ltd. first mortgage bonds (closed issue) dated December 1, 1935.

3½% serials due 1936 to 1938 inc.	$ 750,000
4% serials due 1939 to 1942 inc.	1,000,000
4½% serials due 1943 to 1945 inc.	750,000
4½% 15-year S. F. due 1950	2,000,000

Payable—Principal and semi-annual interest June 1 and Dec. 1.

Redeemable—At 100 on 1936, 1937 and 1938 maturities; at 101 on 1939, 1940, 1941 and 1942 maturities; at 102 on 1943, 1944 and 1945 maturities; and later maturities at 103 to 1940; 102 to 1945 and 101 to maturity.

Sinking Fund—For bonds of 1950 maturity is $250,00 yearly on Dec. 1 from 1946 to 1949 inclusive, thus retiring $1 million by 1950.

Company — Produces, purchases and transmits natural gas to consumers in the southwestern section of Ontario. It controls United Fuel Investments which through subsidiaries makes coke, sulphate of ammonia, motor benzol, tar and gas and distributes the gas in Hamilton and near-by municipalities.

Sales—Natural gas sales for five years ended March 31, 1935, averaged 3 billion cubic feet yearly.

Earnings—Taking into effect proposed financing, consolidated income of Union Gas Co and wholly-owned subsidiaries, Windsor Gas Co. and Empire Land Co. (after charges, depreciation and $224,974 for development purposes annually) reached a record of $847,143 in 1929, and a low point of $406,546 in the year ended March 31, 1935. In the six months ended September 30, 1935, earnings were $296,728 before interest, depreciation, provision for development costs and Dominion income tax as against $227,643 in the same period of the preceding year. Annual interest requirements will be $190,000.

Physical Assets—Land, buildings, gas manufacturing plant, wells, pipe lines and other fixed assets were revalued by the company's consulting engineer December 31, 1928, with subsequent additions at cost, exclusive of gas reserves developed at $12.7 million, less reserve of $3.9 million, or net book value of $8.8 million. An appraisal of March 31, 1934, by Stone & Webster Engineering Corp., taking cost to reproduce new, deducting depreciation, and adding Dawn-London transmission line etc. at cost, is $10.8 million. In addition development gas reserves are estimated at nearly $5 millions.

Security—Bonds are secured by a first mortgage and charge on all real estate, property and plant now owned by the Union Gas Co. together with productive gas leases and a floating charge on the whole undertaking including franchises and rights. Common stocks of Windsor Gas Co. and City Gas Co. of London are pledged.

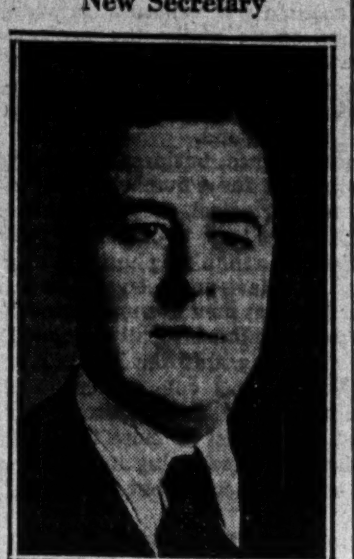
Franchises and Rates—The Natural Gas Conservation Act (Province of Ontario), provides that no new rates and no alterations in existing rates for natural gas may be put into effect unless and until approved by the referee, subject to an appeal to the Appellate division of the Supreme Court of Ontario. Another Ontario act, Municipal Franchises Act, forbids the construction of any works to supply or otherwise to supply natural gas in any Ontario municipality by anyone not in the business of supplying it on April 1, 1933, without approval of the Ontario cabinet. That approval will not be given unless the Ontario Municipal board certifies in writing that public convenience and necessity require such approval. These statutes afford protection and stability to the industry, executives find. Most of company's franchises have been in existence for many years. They are not exclusive and vary in terms and conditions. In some cases period has over-run. Franchises are renewed as favorable opportunity arises. No difficulty has been experienced in operating where franchise has been over-run but no representations are made as to validity of franchises.

Purpose of Issue—Proceeds will be used to reduce bank loan incurred in financing a programme of expansion initiated in 1930 and for other corporate purposes.

Management—The officers and board of directors include men who have been associated with the past development of the natural gas industry since its inception in the province and with the company as well. They are S. A. Morse, president and general manager; D. A. Coste, R. L. O'Brian, and David P. Rogers, vice-presidents, and the following directors—Eugene Coste, Arthur F. White, W. L. Duffield, W. G. K. Vanston, and Charles M. Kennedy.

Offering — Dominion Securities Corp., Toronto, heads group comprised of Wood, Gundy & Co., W. C. Pitfield & Co., Nesbitt, Thomson & Co., and Midland Securities Corp.

New Secretary



H. K. HEPBURN

Announcement of whose appointment as secretary of Ogilvie Flour Mills Co. Ltd. was made at the recent annual meeting of shareholders.

MARITIME TEL. REFUNDING LOAN UNDERWRITTEN

Holders of First Mortgage Bonds Being Offered Exchange

From Our Own Correspondent

MONTREAL. — Maritime Telegraph & Telephone Co.'s application for permission to issue a refunding loan of $1.5 millions has been approved by the Nova Scotia Board of Public Utilities.

Holders of the company's six per cent first mortgage bonds due 1941 are being offered new 30-year refunding and general mortgage bonds, series B, par for par.

The new bonds, which are to mature on January 1, 1966, bear interest in Canadian funds at six per cent to July 1, 1941, and four and a half per cent thereafter to maturity.

No Change in Debt

The present issue is secured under the same trust deed as the outstanding five per cent general refunding bonds. With the retirement of the six per cent first mortgage bonds, the general refunding bonds will then rank as a first mortgage against the property. There will be no change in the total of funded debt.

The series B bonds have been underwritten by W. C. Pitfield & Co. In the event that all of the old bondholders do not make the exchange, it is anticipated that public offering of the balance will be made by the underwriters.

B. C. Power Sets Mark In Electric Meters Installed

From Our Own Correspondent

MONTREAL.—British Columbia Power Corp. reports the number of electric meters in service on the lower mainland on October 20 last to be 100,261. This is the first time in the company's history that the number of installations has passed the 100,000 mark. On September 20 last, installations totalled 99,877, and on October 20, 1934, 98,151.

Stetson (Canada) Capital Is Reduced by $215,210

Capital of John B. Stetson Co. (Canada) Ltd., has been reduced to $41,646. The capital stock consists of 9,981 common shares of no par value.

The predecessor company, The Wolthausen Hat Corp., showed the capital at $256,857. The reduction, amounting to $215,210, is made because this amount is no longer represented by available assets.

Public Utility Earnings

Brazilian Traction

October:†	1935 $	1934 $	Increase $
Gross earn.	2,535,889	2,750,531	*214,642
Oper. exps.	1,206,842	1,275,549	*68,707
Net earn.	1,329,047	1,474,982	*145,935
Ten Months Ended Oct. 31:			
Gross earn.	25,369,380	25,260,578	*108,802
Oper. exps.	11,738,397	12,088,473	*350,076
Net earn.	13,630,983	13,172,105	458,878

*Decrease.
†The decrease is stated to be more than accounted for by the decline in exchange.

East Kootenay Power

October:	1935 $	1934 $
Gross earnings	37,916	33,924
Expenses	12,107	12,982
Net earnings	25,809	20,942
7 Months:		
Gross earnings	259,046	242,547
Expenses	79,096	79,076
Net earnings	179,950	163,471

Minneapolis St. Paul & S.S.M.

October	1935 $	1934 $
Gross revenue	1,709,339	1,287,200
Expenses	1,013,128	913,652
Net revenue	696,210	373,548
Net income	66,027	*192,890
Ten Months		
Gross revenue	11,208,387	10,653,307
Expenses	9,651,823	9,034,645
Net revenue	1,556,564	1,618,662
Net income	*4,370,743	*4,241,259

* Deficit.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Barcelona Trac.	6½%	1965	Dec. 1	‡100
Consumers Glass	5%	1948	Dec. 1	103
Int. P. & P. Nfld.	4½%	1948	Jan. 15	100
Mtl. Coke & Mfg.	5½%	1947	Dec. 1	102
Ont. Steel Prod.	6%	1943	Dec. 1	†110
Riordon P. & P.	6%	1942	Dec. 31	§105
Acadia Sugar	6%	1946	Jan. 1	103
Matapedia Val. L. & Pr.	6½%	1944	Feb. 3	102½
Can. Nor. Rly.	7%	1940	Dec. 1	102½
Ham. By-Prod.	7%	1943	Feb. 1	102
Mt. Royal Tunnel	5%	1970	Apr. 15	100
Colon'l Wire Mfg.	6%	1945	Jan. 2	105
Can. Rolling Mills	6%	1938	Jan. 2	*102½
Wood, Alex. & J.	∆6%	1944	Jan. 3	103

For sinking fund: ‡$15,100. §$74,000. †$23,900. ∆$12,000. *Together with interest at 7 per cent per annum from date of last paid coupon.

Stock Issues:	Rate	Stock	Date	Price
Can. Dredge & D.	7%	Pref.	Jan. 31	107½
Can. Packers	7%	Pref.	Jan. 1	110

Bond Tenders

5 p.m., Dec. 4, Shawinigan Falls, Que.—$221,100, 4 per cent, dated Nov. 1, 1935, redeemable serially to Nov. 1, 1965. A. J. Meunier, sec.-treas.

12 p.m., Dec. 3, County of Halton, Ont. —$28,000 of three per cent debentures, five installments.

1 p.m., Dec. 7, Grand Calumet Island, School Mun., Que.—$8,000, 4½ per cent bonds maturing from Sept. 1, 1936, to Sept. 1, 1948. H. A. Cahill, sec.-treas., Demraven P.O., Calumet Island, Que.

REORGANIZATION IN PROSPECT FOR WESTERN STEEL

Application Made For Appointment of Liquidator For Company

Application is to be made by National Trust Co., receiver and manager of Western Steel Products Ltd. for the appointment of a liquidator for the company. Notice has been given by the trust company that on Dec. 12 next it will apply to the Supreme Court of Manitoba to appoint G. T. Clarkson, Toronto or such other person as the court may see fit, liquidator of the company.

This action, it is understood, is merely a preliminary step toward the final reorganization of the company, and will in no way affect the carrying on of its business. The position of the National Trust Co. as receiver and manager will not be altered by the appointment of a liquidator.

In Default Since 1932

Western Steel Products, a subsidiary of Corporate Steel Products, has been defaulted on its first mortgage bonds early in 1932. Since that time the company has been operated by National Trust Co., trustee for the bondholders, as receiver and manager. During the receivership period operations have shown improvement, sales being increased and operating expenses reduced.

For the year ended Jan. 31 last the receiver reported an increase of $50,000 in net operating income. Receiver's net loss for the year was $77,580 as against $111,517 in the previous year. At the time the report was issued it was stated that the outlook for the current year was that further improvement would be shown in operations. Unfilled orders at Jan. 31 last were three times what they were a year earlier.

Nova Scotia Light Offers Preferred to Shareholders

From Our Own Correspondent

MONTREAL.—Nova Scotia Light & Power Co. is making an offering at par to its shareholders of $465,700 of 6 per cent preference stock, in the ratio of one new share for each ten shares held.

The new shares are of a par value of $100 each and the right to subscription expires on December 12.

The issuance of this stock was approved by the Nova Scotia Board of Public Utilities a few weeks ago. Proceeds will be used by the company to cover capital expenditures which have already been incurred.

We offer:

PROVINCE OF NOVA SCOTIA
3% BONDS

DUE 15 NOVEMBER, 1947
PAYABLE CANADA ONLY

PRICE:
98 AND INTEREST
TO YIELD 3.20%

BELL, GOUINLOCK & CO.
LIMITED
MONTREAL 25 KING STREET WEST WINNIPEG
TORONTO, CANADA
TELEPHONE: ELGIN 2236

Foreign Exchange Markets

On Nov. 25, for the third time in ten days, France raised its discount rate, this time from five to six per cent. Despite the successive increases, a heavy gold flow from the country continues, giving rise to rumors that the time when she will be forced to devaluate is not far distant. Some authorities, however, consider the franc safe on the basis of French gold resources and while Laval continues in power. Switzerland and the Netherlands are expected to follow the lead of France in any programme of revaluation.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Nov. 19	Nov. 20	Nov. 21	Nov. 22	Nov. 23	Nov. 25
U. S. dollar, High	.5906	1.01 1/16	1.01 1/16	1.01 1/16	1.01 1/16	1.00 15/16	1.01
Low	.5906	1.01 1/16	1.01	1.00 15/16	1.00 15/16	1.00 15/16	1.00 15/16
1934, High	.5906	.97 15/16	.97 9/16	.97 15/16	.97 15/16	.97 15/16	.97⅞
Low	.5906	.97 13/16	.97½	.97 13/16	.97 13/16	.97⅝	.97 11/16
U. K. pound	4.8665	4.97½	4.97¼	4.98	4.98¼	4.98½	4.98½
Argentina	.4246	.2751	.2744	.2744	.2742	.2755	.2755
Australia	4.8665	3.9739	3.9709	3.9779	3.9795	3.9815	3.9805
Austria	.1407	.1901½	.1902	.1900¾	.1900¼	.1900	.1909¼
Belgium	.1392	.1708½	.1708½	.1708	.1708¼	.1708¼	.1707¼
Brazil	.1963	.0580¾	.0566	.0563½	.0560¾	.0565½	.0555¼
Czechoslovakia	.0296	.0418½	.0418¼	.0418	.0417¾	.0417½	.0417¾
Denmark	.2680	.2222½	.2222¼	.2225	.2224¾	.2226¼	.2226¼
France	.0392	.0665½	.0665¼	.0664¾	.0664¾	.0664¾	.0664¾
Germany	.2382	.4066½	.4066¾	.4063	.4062	.4063½	.4063
Greece	.013	.0095½	.0095½	.0095	.0095½	.0095	.0095
Holland	.4020	.6861	.6860	.6807½	.6823½	.6829½	.6826½
Hungary	.1749	.3000½	.3001½	.2990¾	.2993¾	.2993¾	.2993¾
India	.3650	.3781½	.3785¾	.3783½	.3791	.3791¼	.3794½
Italy	.0526	.0818¾	.0819	.0818½	.0818½	.....	.....
Japan	.4985	.2889½	.2892½	.2888¼	.2899¾	.2897¾	.2897¾
Jugoslavia	.1929	.0231¼	.0231½	.0231	.0230¾	.0231	.0231
New Zealand	4.8665	4.0139	4.0109	4.0180	4.0196	4.0216	4.0206
Norway	.2680	.2501	.2500¼	.2503¾	.2504	.2505	.2505
Poland	.1122	.1907	.....	.1905	.1906	.1906	.1907
South Africa	4.8666	4.9523	4.9486	4.9574	4.9594	4.9616	4.9606
Spain	.1929	.1380	.1380	.1378	.1377¾	.1378¼	.1378¼
Sweden	.2680	.2567¼	.2566	.2569½	.2569½	.2570½	.2571½
Switzerland	.1930	.3284½	.3283½	.3272½	.3267¼	.3265¼	.3264¾
Hong Kong	.5422	.3586½	.3597¾	.3595½	.3700½	.3766	.3695½

Applications for this stock having been received in excess of the number of shares offered below, this advertisement appears as a matter of record only.

30,000 Shares
Crown Cork and Seal Company
Limited
[INCORPORATED IN 1935 IN THE PROVINCE OF ONTARIO]

The following information is contained in a letter we have received from William F. Hart, President of Crown Cork and Seal Company, Limited.

The above company, which acquired in 1935 the assets and business of Crown Cork and Seal Company, Limited, incorporated in 1921, owns and operates manufacturing plants in Toronto and Montreal. The plants have a capacity of 7,500,000 gross of crown corks per annum. Crown Cork International Corporation, of Jersey City, N.J., controlling important producers of crown corks, cork discs and other cork products in Great Britain, France, Spain, Holland, South Africa and Brazil, has a controlling interest in the Canadian company. Crown Cork International Corporation in turn is controlled by Crown Cork & Seal Co., Inc., the principal plant of which is at Baltimore, and which, in the U.S., is the largest manufacturer and vendor of crown corks and is an important producer of crowning and filling machinery.

Under existing arrangements with Crown Cork International Corporation and Crown Cork & Seal Co., Inc., the Canadian company receives the benefit of the results of all research and developments achieved by the former companies.

CAPITALIZATION
Common Stock, no par value.......... AUTHORIZED 100,000 shares ISSUED 100,000 shares
Transfer Agents:
TORONTO GENERAL TRUSTS CORP. (TORONTO AND MONTREAL)
Registrar:
IMPERIAL BANK OF CANADA (TORONTO AND MONTREAL)

EARNINGS
Net operating profits after all operating expenses, depreciation and income taxes, of Crown Cork and Seal Company, Limited, incorporated in 1921, for the past six years and eight months have been as follows:—
1929.......... $202,349 1933.......... $55,709
1930.......... 143,467 1934.......... 84,780
1931.......... 116,549 1935 (8 months) 87,843
1932.......... 85,516

The average for the full six years ending December 31, 1934, is $114,000 or $1.14 per share on the basis of a capital of 100,000 shares of no par value. Earnings of the business for the full year 1935 are estimated by the management at approximately $115,000.

ASSETS
The balance sheet of Crown Cork and Seal Company, Limited, incorporated in 1921, prepared by Edwards, Morgan & Company, Chartered Accountants, as at August 31st, 1935, shows net assets (exclusive of goodwill, patents and trade-marks) of $705,597. Net current assets amounted to $423,633.

MANAGEMENT
Mr. Charles E. McManus, President of Crown Cork & Seal Company, Inc., and of Crown Cork International Corporation, is Chairman of the Board of Directors of Crown Cork and Seal Company, Limited. Mr William F. Hart is President and Mr. Gordon S. M. Davison is Vice-President. Each of these has had an active and successful experience in the crown cork industry extending over 17 years, and will serve the company in the same positions as formerly.

DIVIDENDS
If the affairs of the Company permit it is proposed to place the stock on a regular dividend basis beginning with a dividend of 20¢ per share payable February 15th, 1936, and thereafter a quarterly dividend at the rate of 20¢ per share.

Dividends have been paid in each year since 1928 out of the current earnings or current earnings and accumulated surplus, averaging in excess of 80¢ a share per annum on a basis of a capital of 100,000 shares of no par value.

CIRCULAR DESCRIBING THIS ISSUE WILL BE SENT TO INVESTORS ON REQUEST.

Price $12 per share
The Company has agreed to make application for listing these shares on the Montreal Stock Exchange.

Greenshields & Co
Incorporated

The statements made in this advertisement are not guaranteed, but are based on information which we believe to be correct and on which we acted in purchasing the above issue.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Longueuil, Que.	Nov.	Credit Anglo-Francais	4½%	1-20 yr.	$15,000	99.83	.....
St. Johns, Que.	Nov.	Rene T. Leclerc Inc.	4%	1936-60	166,800	99.38	.....
Westmount, Que.	Nov.	L. G. Beaubien & Co.	3½%	1936-75	220,000	98.58	.....
Granby R. C. Schs.	Nov.	Gairdner & Co.	4%	1-25 yr.	150,000	99.527	4.04%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Maritime Telegraph & Telephone Co.	Nov.	W. C. Pitfield & Co.	†	1966	$1,500,000	.....	....

†6% to July 1, 1941, payment, 4½% thereafter to maturity.

The Financial Post

Member Audit Bureau of Circulations

Editor—Floyd S. Chalmers

Business Manager—D. M. Gowdy

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada

The Financial Post Has the Largest Paid Circulation of Any Canadian Financial Paper

The detailed circulation statement we submit is the sworn statement of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. inspection.

ADVERTISING RATES

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The Financial Post Record of Prospectuses, Half Yearly, $7 per volume.

The Financial Post Corporation Service, $20 monthly. Special prices for selected part service.

Directory of Canadian Directors and Officials, Yearly, $10.

TORONTO, NOVEMBER 30, 1935

Hydro and Politics

IN THE opinion of the Stratford Beacon-Herald, the Ontario Hydro-Electric Power Commission is not a failure. But it says pointedly that "it deserves to be if it is going to depend upon politicians coming to its rescue whenever it makes a bad guess as to future developments, and when it comes out on the losing side of a bargain with private competitors."

Here is one of the most important points that enthusiasts for publicly-owned power in Ontario ought to keep in mind as they attempt to justify the dishonest contract cancellation legislation of the radical Roebuck ring in the legislature.

The Stratford journal says further:

> "Two blacks do not make one white. You cannot abolish political interference with more political interference. A technical irregularity on the part of a former administration is no excuse for the irregular action of the present Government in using its superior power to repudiate a bargain. If it is right for the present Government to repudiate contracts entered into by the former administration, then it will be equally right and proper for the next government to make void the agreements of the Hepburn government, and so on, ad lib and ad infinitum."

To which might be added the thought that if Ontario is to refuse to pay for power it contracted for, there is no reason why it should not go further and refuse to pay interest on the bonds sold to pay for hydro-electric plants that are producing power for which a present market does not exist.

Ottawa and the Provinces

IF Mr. Dunning insists upon Ottawa having something to say about the finances of provinces that have to rely upon Dominion credit, his move will not be entirely unanticipated. In fact, the Calgary Herald suggests it:

> "It would not be surprising if Mr. Dunning suggests it is time that the federal government should exercise some direct form of supervision over how provincial money is spent."

Most citizens agree that it is proper for the Dominion to act temporarily as banker for provinces in difficulties. But loans should not be made without the "follow through" of some control over the provincial budgets. This is simply pursuing good business methods and will ultimately prove to be as valuable to the taxpayers of the borrowing provinces as to residents of other provinces.

When a province cannot borrow in the open market there is something wrong with its financial position. It should welcome outside assistance and advice in putting the situation to rights again.

What Beatty Really Said

IT HAS been almost serio-comic to read the editorial comment on the address that Sir Edward Beatty made to the students at the University of Western Ontario. A number of newspapers have criticized Sir Edward Beatty on the assumption that he said that Socialism was something that should not be studied or taught in the universities. Typical of these editorials is one in which the writer, in effect, accuses Sir Edward of having dismissed Socialism as something incompatible with academic learning. The editorial goes on to say:

> "He seems to us, however to have made a mistake in attacking Socialism as something which should not be supported by a university man, and labelling the economist who has socialistic leanings as unsound in his economics."

The Financial Post, which read Sir Edward Beatty's address in full, and not merely the abbreviated newspaper reports of it, before writing its editorial on that address, has been unable to find, either in the original manuscript or in the pamphlet copy that has since been issued, anything to justify such a comment.

Sir Edward Beatty defined a university as a society of learned men and women; a focus of intellectual activity in the nation and, thirdly and only thirdly, a training school for young men and women.

He expressed quite honestly his belief in thought and free speech and urged men to carry their logical process of reasoning to the point to which it led them regardless of the consequences. If by reason one became a Communist, it was his duty, said Sir Edward, to preach Communism and condemn the leaders under the present system as public enemies. And while he stated that academic thought in this country was deeply colored with Socialist ideas, his objection to this situation was not based upon any desire to prevent a free discussion of Socialism in the universities but because he felt that:

> "Socialism as it is preached by many of the younger men in our universities today seems to me to be based partly on a lack of adequate knowledge of the structure of the existing economic society and partially on an emotional desire for the correction of admitted defects in our society."

And he added:

> "May I say quite definitely that I am not attempting to urge that our universities should not teach either partial or complete Socialism."

Sir Edward Beatty is being unjustly accused of attempting to curtail free speech and honest logical reasoning in the universities. His whole address was a plea for those very things.

The criticisms that have been showered upon him seem to suggest what he suspected is indeed the case; that much of the Socialistic preaching in our universities is purely emotional in character and that those who preach it wish to deny their students and associates the right to arrive at their own ideas by logical reasoning.

Poor Publicity for Canada

THE EVENING STANDARD of London on armistice day had an account of the Cenotaph services, followed by despatches from Australia, New Zealand and several foreign countries. There was no reference to Canada's celebrations.

Omission of Canadian news from British papers is frequently quite as glaring as in this example. It is a matter concerning which Mr. Massey might make some discreet but pointed enquiries. Is the fault with the press services, with the British papers or with Ottawa?

It may be pointed out that when a Canadian municipality defaults, a province repudiates a contract or some other untoward event occurs, British papers give this country large headlines.

This condition of one-sided publicity for Canada is not true of all British newspapers. The Times, the Manchester Guardian and some other leading metropolitan journals are adequately represented in Canada by their own correspondents. But outside of the leading journals, Canada is poorly publicized in the Old Land.

Taxing Civic Utilities

TORONTO'S city council has before it a plan to cut the tax rate by increasing water rates to consumers.

Water rates should not be increased simply to cut the mill rate. There will be no net saving to the citizens although they may be fooled as to what civic government is costing them.

If the city water department is not paying its own way its rates should be raised, of course. And rates for all such publicly-owned services should be high enough to cover taxation of properties. Otherwise the true cost of maintaining service cannot be known.

When Toronto took over the street car system that was formerly privately owned the rates were raised. In addition, the system was relieved of taxation that would today amount to about one cent per ticket. and even now there is discussion of the need for a further rise in fares.

Taxation of all public utilities is a sensible measure. Merely juggling rates around without regard to what properly kept accounts would show is, however, child's play.

The Social Credit Cure-all

AS OUR readers know, The Financial Post has given a great deal of time and attention to a study of Premier Aberhart's plans for a Social Credit system in Alberta.

Nevertheless, there remains one great mystery in the scheme. Why does Premier Aberhart declare that it will be necessary to effect some rehabilitation of the province's finance before he can begin to pay Social Credit dividends? At first it was to take eighteen months to get the scheme working and now it is going to take twenty-four months.

If Social Credit is the answer to depression's problems, then it must be the answer to the financial problems of Alberta. Why not start the Social Credit scheme at once and thus solve all of the province's problems at one stroke — financial problems, unemployment problems, relief problems, farmers' problems, etc.?

Probably the answer is that even Mr. Aberhart realizes that Social Credit is not the cure-all that he has declared it to be.

Rackets for Veterans

FOR several years The Financial Post has been running practically every week a very small department in which it has exposed various types of rackets in which business men become involved from time to time. That the department has never disappeared from the paper because of the shortage of material is more of a tribute to the ingenuity of the petty racketeers than to the industry of The Financial Post, for there has never been a shortage of rackets to expose.

A very large proportion of these attempts to bilk business houses are built around appeals to sentiment, notably in connection with returned soldiers' organizations. It is often difficult for the business man to distinguish between the legitimate charities of substantial veterans' organizations and the fake charities that are run for the benefit of their sponsors but in the names of "veterans."

For instance, business men in Toronto have recently been receiving telephone calls asking them to buy tickets to a concert organized on behalf of some disabled veterans' group. The canvassers said they had the names of over 100 disabled war veterans who were in absolutely destitute circumstances.

On the face of it any such appeal is a fake. Generous pensions are paid to all disabled Canadian war veterans. In addition, various offices under the pensions board have funds for the relief of veterans in distress and these funds are supplemented by well organized private groups such as the Poppy Fund.

In another instance, business men were asked to subscribe for a number of copies of a Canadian periodical, they to pay the cost, but the copies to go to one of the veteran hospitals. One enquiring business man asked casually: "Have you been able to get many other business men to support you?" The canvasser enthusiastically replied, "Oh, yes; 50 or 60 within the last two or three weeks." It was only a matter of simple arithmetic to deduce from this answer that there must be more than 500 copies of that periodical going into a hospital with only a fraction that number of patients.

Recently, one supposed war veteran has been selling tickets for a dance to be held in aid of a hospital that is not even in existence.

In the interests of the returned soldier, and in the interests of their own organizations, the competently managed veterans' organizations might properly undertake the job of protecting business men from the fakers, by exposing them publicly and prosecuting them when their rackets go beyond the bounds of legality.

Editorial Notes

This being the deer season we wish to remind farmers that it will be too late to lock the stable door after the cow is shot.

* * *

It was a typographical error and not an effort at coining a new word that led The Financial Post last week to speak of the "Pepression."

* * *

Moses A. James, who was for 57 years a country newspaper editor, made the Bowmanville Statesman one of the finest of Canada's weeklies. George W. James, his son, has been editing the Statesman for some years, combining an intimate interest in local affairs with a very comprehensive understanding of the national viewpoint on public matters.

* * *

The Financial Post has received from "a committee representative of the Italian community in Toronto," no individual names being mentioned, and from other sources many pamphlets justifying Italy's position in relation to Ethiopia. They are propagandist in character and little attention is paid to them. Independent studies of the Ethiopian question have been published by organizations such as the Royal Institute of International Affairs and the World Peace Foundation, Boston. A reading of them makes a study of vaguely identified pamphlets a waste of time.

Post-Scripts

Red Tape by the Mile

RED tape plays a very useful part in governmental activities. The editor of National Revenue Review, Ottawa, came upon some information recently which showed that the United States government, for instance, uses over 300,000 yards of red tape each year. Recently the Veterans Bureau in Washington announced that by refiling its documents it had eliminated 200 miles of red tape from its files. The tape is used, of course, to tie up government documents, as it will not cut into paper as rubber bands might. No one knows why the tape must be red. It is a custom that goes back to the law offices of the seventeenth century and perhaps before, and the use of the term as a symbol of alleged bureaucratic delay is almost as old. Law offices used to be consistent users, but new filing systems have cut down the use. Notaries still use it, but by far the greatest use today for red tape is for tying up bunches of celery and asparagus. Large quantities are used each year for this purpose.

Sayings of the Week

"Even at 100 one is old only if he thinks he is old."—*Edwin Markham.*

* * *

"Man-made laws cannot repeal the laws of nature."—*General Hugh S. Johnson.*

* * *

"The most important thing that a woman must have, to hold her husband, is understanding."—*Charles Laughton.*

* * *

"The people who make wars never have trouble getting the money to do it with."—*Gen. Smedley B. Butler.*

* * *

"Nature provides immunity to certain diseases by eliminating all those who contract the diseases."—*George Barton Cutten.*

* * *

"A government cannot legislate honesty, but government can jail dishonesty." — *Fiorello H. LaGuardia, Mayor of New York.*

* * *

"A famous man always feels as if he were living under false pretences, that sooner or later he will be found out."—*Babe Ruth.*

* * *

"A nation that now starts a war has a very different public opinion with which to deal than in former times."—*Norman H. Davis.*

* * *

"A prima-donna can only marry a rich man. He must have enough money to take his work or hobbies wherever she goes."—*Lily Pons.*

* * *

"Radio is not a medium for a busy person. One can listen to music, and work or think at the same time, but voices distract."—*Leslie Howard.*

* * *

"One of the troubles about the principle of liberty is that its advocates are generally inspired by a revolt against authority."—*Bertrand Russell.*

* * *

"Do you remember back when folks ate, ate and then ate some more? Well, there didn't seem to be any more indigestion than there is now."—*George Rector.*

* * *

"All this talk of war in Europe will vanish like a summer shower. The nations of the world will be embracing each other inside of 18 months."—*Sir Gerald Campbell.*

* * *

"The men who operate the filling stations have done more to teach the people courtesy and good management than all the professors in all the colleges."—*Dr. Robert A. Millikan.*

* * *

"It really doesn't matter a whole lot what line of work you happen to fall into so long as you follow through to the limit with the individual abilities God gave you."—*Dr. Robert A. Millikan.*

* * *

"This London traffic is overwhelming. It resembles the rushing African torrent after a heavy downpour with this difference, that the torrents subside, but this traffic is incessant."—*Ndaniso Kumalo, giant Matabele warrior.*

As Others See Us

Mr. Dunning
Huntsville Forester

Hon. Mr. Dunning, the new Minister of Finance, has been described by The Financial Post as feared by neither the big financial interests nor the common people. If he can guard the interests of all, with special favors to none, he will quickly establish himself as the right man for the job he holds.

Canadian Firms Must Advertise
Stratford Beacon-Herald

Anticipating action by the King Government in implementing its promise to reduce tariffs, The Financial Post takes certain Canadian firms to task for depending too much upon the Bennett emergency tariff and not making sufficient effort to educate Canadian customers as to the value of their wares. It is pointed out that American firms have spent thousands of dollars in creating interest in their products among merchants and the general public. With a reduction in protective tariff the goods of Canadian manufacturers will be at a serious disadvantage, and they "will have only themselves to blame if they cannot meet reasonable competition from imported products," says The Post.

It appears that many Canadian industries have in the past got together to "save" the money usually expended on merchandising and advertising, counting high tariffs an effective substitute. Such firms will have to do more in the way of developing their own market with the Canadian consumer. Canada must have a tariff, but it should never be depended upon as the sole prop of any industry. And the moral of that is—"it pays to advertise."

Was "Nervous" Some of Time
Halifax Chronicle

The one simply astounding surprise of the recent election result was the failure of the Hon. H. H Stevens to elect a single follower in the whole of Canada although he had no less than 174 candidates in the field. It is interesting to look back in retrospect and see how forecasters estimated the result.

The Financial Post says that as late as the day of the election, stock brokers in Montreal were forecasting as high as 80 seats for the Reconstructionists. If this be so, it goes to show how completely at sea they were, for we have met nobody at any time who ever gave him more than 35 and the final estimate was far below that. The Financial Post says few forecasts at any time gave him less than 40 seats.

We can give an example far better than any of these, for when the election was over at least one man hit the nail on the head. He had bet that Mr. Stevens would not elect a single follower. When he said this, the man to whom he said it, exclaimed, "Great Scot man, what were you thinking about? You won your bet anyway!" "Yes," said the man, "but I was nervous some of the time." Which is we think about the best election story to come to our notice.

Low Tariff Impels Advertising
Quebec Chronicle-Telegraph

In anticipation of the impending tariff reductions The Financial Post of Toronto gives some timely advice to Canadian manufacturers and distributors.

In fact certain firms are scolded for having depended too much upon the Bennett emergency tariff during the past five years and consequently making insufficient effort to educate the public as to the merits of their wares. This is contrasted with the policy of American firms who have spent thousands of dollars in creating a demand for their products. Now the Canadian manufacturers are likely to be at a serious disadvantage for which they have only themselves to blame, they are told.

The charge is made by The Post that "Many Canadian industries have got together in the past to 'save' the money usually expended on merchandising and advertising, counting high tariffs as effective substitute." And it is added pointedly that "such firms will have to do more in the way of developing their own market with the Canadian consumer."

No doubt there is a certain satisfaction to the advertising manager of the newspaper in arguments such as these. But the interest of the newspaper in advertising is as legitimate as that of the producer in sales promotion. And the fact that the newspaper may earn a few dollars by its service is negligible when compared with the monetary advantage that the manufacturer or merchant can and does derive from the sale of efficiently advertised goods.

The old, old maxim, "It pays to advertise" is still as good as ever it was.

Other People's Views

Insurance Has Fine Record
Windsor Daily Star

G. D. Finlayson, Federal Superintendent of Insurance, points out that not a single Canadian fire insurance company failed during the world crisis. A significant comment he makes is that in the years 1929 and 1930 these companies felt scarcely any effect of the general financial somersaults because they had 90 per cent of the liabilities to their policyholders covered by government and municipal bonds.

Another interesting sidelight which Mr. Finlayson gives is that 50 British insurance firms which operated in the Canadian field since Confederation, and are now withdrawn paid every dollar of their liability to Canadian policy-holders.

Canada enjoys an enviable record for the manner in which her banks, insurance concerns and business houses generally have come "smiling through" the so-called lean years. It is a credit to the good management, service and faith of the men at the helm, also a tribute to the soundness of our governments and our laws.

Mr. King's Cabinet
Manchester Guardian

Mr. Mackenzie King, with the largest majority behind him that Canadian political history has known, has been able to form a proportionately strong Cabinet. His greatest triumph has been to secure the return to politics of Mr. C. A. Dunning, who was his Finance Minister in 1929 and whose abandonment of politics for business seemed irrevocable. Mr. Dunning's 1930 budget continued the Laurier and Fielding policy, which had been maintained since 1897, of making tariff preferences to Britain unconditional. Not till the advent of Mr. Bennett did the notion of driving as sharp a bargain as possible enter into the fiscal relations of the two countries. Mr. King could have no better ally in putting into practice his belief that the way to stimulate trade between the British peoples is to lower the tariff barriers between them rather than to raise barriers against the rest of the world; and with Mr. Dunning back in office we may look forward to seeing the worst mistakes of the Ottawa Conference remedied.

Thrift and Industry Still Virtues
Edmonton Journal

Premier Aberhart suggests that the words "industry" and "thrift" do not appear in the Bible. Possibly the actual words do not, but the ideas they connote certainly do. How about that passage in the Proverbs that starts off "Go to the ant, thou sluggard"? Surely that urges one to be industrious. And as for thrift, is there not a verse that says "a prudent wife is from the Lord"?

As the premier says, service and co-operation are important; but it does not follow that the old virtues of thrift and industry should be abolished. There is commendation in Holy Writ for the good business man, who by thrift and industry increases his wealth, as witness the parable of the talents. The trouble is that some who have gained of this world's goods have forgotten the further lesson that wealth brings added obligations; that service and co-operation are more important.

They are more important than wealth, not necessarily more important than thrift and industry.

Merchandising Carpets
Dry Goods Review

The production of carpets in Canada has declined in recent years from $6,000,000 to $2,000,000 and imports of carpets have dropped from $3,500,000 to $500,000. This is rather noteworthy considering the fact that the carpet industry in certain other countries, under the aegis of a broad merchandising effort, is progressing very briskly.

Are Canadian rug manufacturers up to date in their merchandising? Have they kept the trade and the public informed as to the latest developments in the use of rugs, the newest practice regarding the use of runners on stairways, the development whereby certain pine floors are being covered with broadloom instead of using hardwood? Have the rug people allowed manufacturers of other types of floor covering to get an advantage? Has tariff protection so curtailed competition as to tend to stagnation?

There is little or nothing being done by rug manufacturers to create a rug consciousness among Canadian people or among the retailers who sell their product. Through the use of up-to-date consumer and trade publicity these manufacturers could more adequately develop the field in Canada, secure a larger share of the consumer's dollar and regain that two thirds of their production which they have lost since 1930. Other industries in Canada have made the most in the past few years of an opportunity to consolidate their position in their particular line, when competition was comparatively limited. That position should be of great advantage in the event of tariff action which may subject this market to keener competition.

In the Mail

The Haig Diaries

Editor, The Financial Post:

Your editorial comment on the recent publication based on the Haig diaries makes refreshing reading in contrast to a local contemporary's editorial effort to diminish the splendor of a great military leader's public services, and at the same time to whitewash the expedients of a spiteful and shifty politician, who has deservedly lost the confidence of his political party, as well as that of the British people.

MALCOLM CAMERON.

New Books

"THE ECONOMIC AND FINANCIAL POSITION OF ITALY." By the Information Department, Royal Institute of International Affairs, London. Published by Oxford University Press, Toronto, at 60 cents.

"ABYSSINIA AND ITALY." Same source and publishers. Price 75 cents.

These two pamphlets bring up to date multigraphed documents that were available earlier in the year. No doubt the almost overwhelming demand for them has made revision of the material and its issuance in printed form necessary. Both are fully authoritative and of inestimable value. Earlier editions have already been reviewed in The Post.

Stop Me If You've Heard This One

We have just learned of an incident concerning a friend of ours, a dear lady no longer young, who lives modestly on her income, a proportion of which is derived from securities not unaffected by the action of Messrs. Hepburn, McGeer and Aberhart. Some of her other holdings have also depreciated due to governmental action.

Recently she entered a St. Catherine Street grocery store; when the clerk approached, she asked: "Have you any nice fresh eggs?"

"Yes, madam," he replied, "in this basket, 42c a dozen."

"They must be fresh," she reiterated.

"You will find these quite all right," he replied.

"Strictly fresh eggs?" she insisted.

"Oh, yes, madam," he reassured her. "Why they are government graded—and government guaranteed."

"Then they are not good enough for me," she remarked, abruptly leaving the shop.

—The Printed Word.

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2.38	2.02	1.94	1.99	2.13

Average: 2.09 times
*Based upon nine months' actual and three months estimated.

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Children for Sale....

Several years ago I referred to my work as "Children of my Brain". Many of these earlier children have now (metaphorically speaking) grown into lusty manhood.

I am still giving birth to a virile family of advertising ideas for those who need them and who are able and willing to pay for them. . . . So, if your advertising needs new blood, why not try an infusion from me. *(This is mixing metaphors a bit, but you'll understand.)*

Thornton Purkis

330 Bay Street, Toronto.

ADVERTISING COUNSELLOR

J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
TORONTO - KIRKLAND LAKE

Massey-Harris
Company Limited
5% Cumulative Preferred Stock

Par Value	100.00
Accumulated Dividend Arrears	25.00
Assets available: Per Share of Preferred Stock	149.60
Current assets available: Per Share of Preferred Stock (After Deducting Par Value of Bonds Outstanding)	90.00

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FROM NEW YORK DEC. 27
Empress of Britain
New Year's Cruise
TO JAMAICA AND HAVANA
9 days • $132.50 up

New idea for a party! Come to the Caribbean for your New Year's holiday! New Year's Eve aboard the *Empress* in Kingston harbor, Jamaica. Havana en route home. Tennis, swimming. Two orchestras. Return Monday, Jan. 6. **Coming:** 5 more West Indies cruises!

Canadian Pacific

Full information from your own travel agent or J. C. PATTESON, Steamship General Agent, Canadian Pacific Building, Toronto.

Week in Business

Second Thoughts on Trade Pact

• • • •

Russia, Italy and New Zealand

• • • •

The past week might well be called All-Nations week. Amid the heat of the U.S.-Canada trade treaty came news of a changed and renewed agreement with New Zealand; of Ottawa rumors that Canada would shortly lift the ban with Russia; and of the putting into effect of sanctions against Italy.

The favorable reception to the U.S. trade treaty is not necessarily a real criterion of the pact for the reason (explained in the Nation's Business column last week) that the bulk of publicity which appeared was carefully prepared by each government to put the agreement in the most favorable light. The real story will start to unfold between now and Jan. 1, and subsequently as the act becomes operative during 1936. Many observers whose views may be given consideration already lean to the view that the scales dip sharply in favor of the U.S. rather than Canada. Certainly Canada has given important concessions of immediate value to U.S. producers, but as noted last week many of these would have been given anyhow under the new King trading policy. The real answer will lie in the eventual benefit to Canada of indeterminate concessions to farmers and other primary producers.

* * * *

The chief Canadian company affected by the New Zealand treaty change is Ford of Canada. As far as can be ascertained Ford has been almost the only Canadian company shipping cars to that market. The revised treaty by raising at May 1, 1936, the tariff on imported cars puts a premium on any cars not assembled in New Zealand and adopts a new sliding scale of duties dependent on the amount of "Empire" content. It is the high New Zealand content requirement (75 per cent) that has lowered Canadian sales in that market, even General Motors having lately been shipping direct from U.S. to their N.Z. assembly plant rather than using their Canadian plant.

* * * *

The Russian trade situation is relatively simple. We now have an order-in-council which prevents importation into Canada from that country of coal, dressed furs, timber, woodpulp, pulpwood and asbestos, which is about all we would normally buy from Russia with the exception of oil. If the King government removes this order (as has been suggested) anyone will be free to make any sort of trade dicker be it barter, direct sale or consignment. Most Russian trade bogeys have turned out to be just that, in recent years, and it may be many years yet before Canada-Russian trade reaches anything like seven figures.

Regarding Italy the interesting news of the week is that Mussolini has swung round and supposedly put a ban on imports from all countries imposing economic sanctions against him. For Canada this includes: flour, liquor, aluminium, nickel, agricultural implements, autos, asbestos, abrasives, lumber, patent leather, tires and rubber goods, etc.

* * * *

Detailed analysis of last month's business activity reveals considerable spottiness in different parts of the country. In short, a lack of the uniformity that has featured gains of recent months. Ontario and Quebec continue to make the best showing. The final version of The Financial Post business index of business volume in all Canada in October was 105 compared with last week's preliminary of 106.2.

Business Indicators

Changes of the Week

(Compared with the same period last year)

Favorable:

Carloadings—Sharply higher after adjustment for Nov. 11 holiday.

Fisheries—September catch valued at $1.8 millions; up 195,000 cwt. for gain of $88,000.

Rail Earnings—Weekly figures continue high.

Auto Sales—Higher than October, 1934, despite imminence of change-over to new models. Production best for October since 1929.

Electric Station Output—At new record high.

Unfavorable:

Sugar Plants—Meltings and shipments off despite gain in manufactures.

Bank Debits—Off three per cent after seasonal adjustment; Quebec drop greatest.

Insurance Sales—Three per cent lower than a year ago; seasonally higher than September.

Newsprint Exports—Lower in October despite higher production.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest— 1935	1934	—Cumulative Total— Jan. 1 to date 1935	1934
Transportation—				
Car loadings (Nov. 16)	▲48,684	50,264	2,095,847	2,069,554
C.P.R. gross earn. (Nov. 21) ...	$ ▲2,705,000	$ 2,616,000	$ 114,445,000	$ 111,503,000
C.N.R. gross earn. (Nov. 21) ...	$ ▲3,479,413	$ 3,155,362	$ 153,625,959	$ 147,219,287
Business Conditions—				
Weekly index D.B.S, (Nov. 16)	▲98.2	94.2	......	......
	MONTHLY DATA 1935	1934	1935	1934
Business Conditions—				
Financial Post index (Oct.) ...	106.8	99.0	......	......
Transportation—				
C.P.R. net earnings (Sept.) ...	$ 3,290,218	$ 3,033,580	$ 11,386,758	$ 13,670,107
C.N.R. net revenue (Sept.) ...	$ 2,292,672	$ 2,010,243	$ 6,165,665	$ 7,142,505
Iron and Steel (Oct.)—				
Pig iron production (tons)	45,521	46,573	464,585	325,663
Steel ingots and castings prod. (tons)	93,016	57,975	742,720	643,137
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Oct.)	▲2,939	1,992	72,422	58,699
Factory output (Oct.)	▲7,128	2,125	116,269	89,152
Trucks and Buses:				
Domestic sales* (Oct.)	▲972	710	15,924	10,766
Factory output (Oct.)	▲1,185	1,655	29,394	23,309
Exports (Oct.)	▲3,931	3,778	53,416	41,197
Construction—				
Building permits (Oct.)	$ 4,020,308	$ 2,598,024	$ 40,530,687	$ 22,313,170
Contracts awarded (Oct.)	$ 14,925,100	$ 11,152,700	$ 147,649,300	$ 109,297,800
Newsprint (tons)—				
Production (Oct.)	266,515	235,021	2,245,703	2,117,228
Exports (Oct.)	▲240,421	204,904	2,053,207	1,932,918
Sugar (lb.)—				
Melting & shipments§	▲86,100,288	88,258,195	716,071,482	689,342,405
Manufactured§	▲129,825,202	126,421,593	754,506,205	713,483,860
Flour (bbls.)—				
Production (Sept.)	1,535,189	1,383,205	9,823,026	10,343,837
Wheat flour exports (Oct.) ..	501,442	485,549	3,911,861	4,206,597
Trade (October)—				
Imports	$ 52,751,020	$ 47,228,804	$ 455,787,336	$ 424,478,096
Exports	$ 84,952,580	$ 67,747,809	$ 576,759,867	$ 526,912,493
Wheat exports (bush.) (Oct.)	28,919,421	21,807,784	121,553,933	131,806,393
Employment, D.B.S. Index (Oct. 1)—				
All industries	106.1	100.0	......	......
Manufacturing	103.3	94.4	......	......
Electric Power Output (Oct.)—				
Total monthly (000's omitted)	▲2,162,569	1,853,226	19,104,570	17,153,078
Aver. daily	▲69,761,000	59,782,000	....	....
Other Industrial Indices—				
Lumbering:				
Plank & board exports, mill (Oct.)	138,118	122,849	1,104,074	1,148,806
Boot & shoe prod., pr. (Sept.)	1,982,451	1,704,677	16,528,838	14,223,517
Crude petrol. imp. gal. (Oct.)..	133,728,567	110,637,902	963,751,490	903,500,224
Cotton imports, lb. (Oct.)	10,776,453	9,179,436	84,625,473	106,396,436
Raw rubber imp., lb. (Oct.) ...	1,819,433	6,816,973	44,611,645	53,808,573
Coal imports, tons (Sept.)	1,427,277	1,593,859	9,534,331	9,803,038
Finance—				
Bank debits (Oct.)	$ ▲52,907,516	$ 3,409,876	$ 25,592,251	$ 26,734,294
Bond sales (Oct.)	$ 65,415,900	$ 271,227,944	$ 723,345,929	$ 600,137,220
Life insurance sales (Oct.) ...	$ ▲30,416,000	$ 31,342,000	$ 297,678,000	$ 306,160,000
Automobile Financing—				
Used cars (Oct.)	$ ▲1,265,339	$ 1,075,877	$ 15,937,554	$ 12,271,446
New cars (Oct.)	$ ▲1,096,937	$ 930,492	$ 19,382,187	$ 15,271,867

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000s omitted. §For 4 weeks to Nov. 2.

International Power Company
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6½% Debentures, due 1957

93½ and interest, yielding 7.05%

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Montreal

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Offices throughout Canada; also in New York and London.

TWO PROVINCES SHOW INCREASES DURING OCTOBER

Business Conditions in Five Economic Areas Spotty

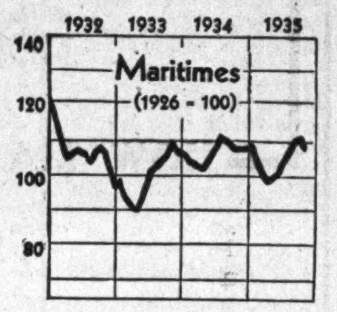
ONTARIO, QUEBEC GAIN

Business activity showed acceleration in Quebec and Ontario during October while minor declines were shown in the western areas. The advance in the Maritimes which had been proceeding for five months was reversed.

Following general gains in September the principal economic factors upon which The Financial Post compilation is based exhibited a ragged appearance in October. The record of employment was the brilliant spot of the month, adjusted gains being shown in each of the areas except British Columbia. Building permits also showed gains in all areas.

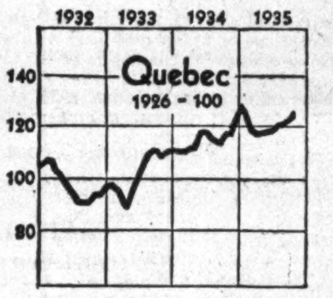
Maritimes.—The October showing in this area was adverse. The Post index receding from 111.0 to 109.3. Constructive factors included building permits, employment and exports through Maritime Province ports.

During a recent week the Dominion Iron and Steel Co. had an average payroll of 3,121 men. The blast furnaces and steel mills were relatively active. Shipments included 480 tons of wire products for Australia and New Zealand and 2,365 tons for Toronto and Hamilton. The Dominion Coal Co. at Glace Bay employed about 8,000 men while 1,648 men were employed at Sydney Mines by the Nova Scotia Steel and Coal Co.



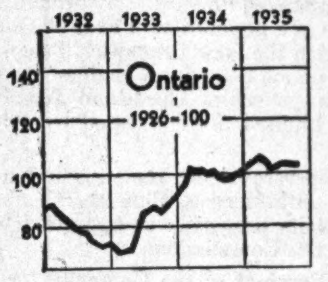
Quebec.—The index for Quebec moved up markedly in October to a new high point since midyear 1930. The gain from 122.7 to 124.5 amounted to 1½ per cent.

New business obtained by the construction industry was greater, the index of building permits showing a marked gain while construction contracts were nearly maintained. A more than seasonal gain was shown in the output of electric power.



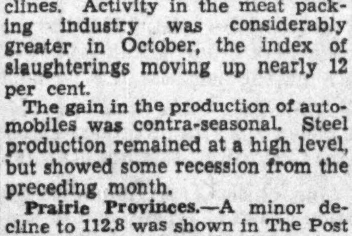
The most significant factor was the increase in employment, the index moving up from 97.6 to 100. Imports of cotton after seasonal adjustment showed a gain of 23.3 per cent and newsprint production (up 11.7 per cent) was greater than in any other month in history.

Ontario.—The Post index at 102.9 showed a slight gain in October. The high point on the recovery was reached in March of this year and the present level is somewhat below that standing. Construction contracts declined, while building permits recorded an increase of 8.4 per cent. The output of electric power was up nearly 8 per cent, the average daily production being greater than in any other month of the present year. The gain in employment was greater than normal for the season, the index after adjustment being 104.9 against 103.8 in September. Bank debits and insurance sales recorded appreciable declines. Activity in the meat packing industry was considerably greater in October, the index of slaughterings moving up nearly 12 per cent.

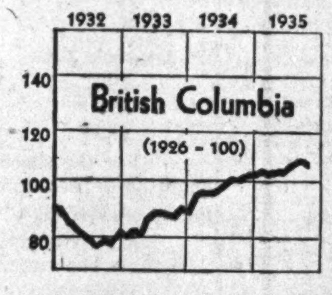


The gain in the production of automobiles was contra-seasonal. Steel production remained at a high level, but showed some recession from the preceding month.

Prairie Provinces.—A minor decline to 112.8 was shown in The Post index for this area following an upward trend lasting for six months. A gain was shown in construction contracts contrary to the seasonal tendency. Building permits, on the other hand, were at a very low level. Bright factors were the gain of 3.4 per cent in the adjusted index of employment and the increase of 12½ per cent in the sales of life insurance. The decline in wheat receipts at country elevators from 73 million to 60 million was less than normal for the season. A slight gain was also shown in wheat prices whereas a moderate decline is normal for the season.



British Columbia. — Following moderate but steady advance for nearly three years, a slight recession was shown in business activity in British Columbia. Four of the eight available factors for the province showed gains and one was unchanged. Building permits showed a gain of 12 per cent, but contracts awarded were at a considerably lower level. The adjusted index of employment dropped to 98.4 from 100.4. The gain in output of electric power was one half of one per cent. The adjusted index of bank debits was unchanged but a considerable decline was shown in insurance sales. The increase in exports through British Columbia ports was slight while a gain of nearly 11 per cent was recorded in adjusted imports. The index for the province dropped from 110.0 to 108.4.



Business Indicators by Economic Areas

	October 1935	Incr. or Decr. October '35-'34
Maritimes		
Construc. contr. ......$	624,000	+ 77.8
Bldg. permits ....$	115,000	+ 10.6
Life insur. sales ...$000	1,844	— 8.7
Bank debits ...$000,000	50.7	+ 8.1
Elec. power ...kw.h.000	46,811	— 4.1
Employment .1926=100	111.1	+ 5.9
Tonnage of vessels, cleared		
Exports ....$	6,224,893	+ 17.8
Imports ....$	2,611,092	+ 0.7
Index	109.3	+ 1.7
Quebec		
Construc. contr. .....$	6,712,000	+145.2
Bldg. permits ....$	1,257,000	+101.4
Life insur. sales ...$000	8,594	— 8.6
Bank debits ...$000,000	788	— 17.9
Electric power kw.h.000	1,176,353	— 16.5
Employment .1926=100	105.0	+ 7.1
Imports of raw cotton .... lb.	10,770,453	+ 17.3
Newsprint produc. tons	266,515	+ 13.4
Index	124.5	+ 8.5
Ontario		
Construc. contr. ......$	4,967,000	— 21.9
Bldg. permits ....$	2,119,000	+ 54.6
Life insur. sales ...$000	13,269	+ 2.5
Bank debits ... $000,000	1,102	— 25.9
Electric power kw.h.000	626,559	+ 21.3
Employment .1926=100	110.0	+ 6.2
Livestock slaughterings 1926=100	123.5	+ 5.3
Steel produc. .....tons	95,016	+ 63.9
Auto. produc. ......no.	8,313	+119.9
Index	102.9	+ 4.8
Prairie Provinces		
Construc. contr. .... $	2,000,000	+107.0
Bldg. permits ....$	217,000	— 30.4
Life insur. sales ...$000	4,268	— 8.4
Bank debits ...$000,000	820	+ 7.5
Electric power kw.h.000	137,698	+ 12.4
Employment .1926=100	108.1	+ 12.0
Wheat receipts .bush.	60,000,000	+ 18.1
Wheat prices $ per bush.	.907	+ 16.1
Index	112.8	+ 8.5
British Columbia		
Construc. contr. .....$	622,000	— 15.7
Bldg. permits ....$	313,000	+ 67.4
Life insur. sales ...$000	2,209	+ 7.9
Bank debits ...$000,000	147.3	— 4.2
Elec. power kw.h.000	135,571	+ 9.1
Employment .1926=100	101.8	+ 8.2
Imports ....$	3,968,177	+ 3.4
Exports ....$	11,780,898	— 4.7
Tonnage of vessels, cleared		
Index	108.4	+ 8.2

Background of Business

Canada's Living Costs

No Sharp Gain Though Key Cities are Exception—Britain Wants Pact Revision

Those who make a hobby of graphs and statistics are somewhat at a loss to know why prices and living costs in Canada have remained relatively stationary for many months and have shown little or no tendency to soar in the manner of similar figures in the United States. This is particularly true of wholesale prices which have shown little more than fractional change in Canada for the past eighteen months. Usually the two countries follow very similar trends.

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Canada's Living Costs

As to retail prices and the cost of living, there are two ways of measurement in Canada. Price statisticians at the Dominion Bureau of Statistics maintain an index number from month to month, and while this stood in October at 84.4 (the average during 1926 equals 100) which was the highest point in three years, the gain cannot be said to be spectacular since this is less than 5 per cent higher than the depression-low of the index (77) in the spring of 1933.

Of importance in the October gain was a rise in the clothing index marking the first break in a steady decline since September, 1934. Rentals, which are computed only semi-annually, were also slightly higher, with those occupied by workmen up almost two per cent. Middle grade dwellings advanced up .8 per cent.

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City Figures

The other measurement of living costs in Canada is material collected each month by the Department of Labor at Ottawa from a group of key Canadian cities. The October figures show a gain of less than 3 per cent compared with corresponding figures a year ago. The biggest reduction has been at Moose Jaw, which is down about 6 per cent, due primarily to lower rentals. Charlottetown and Saint John also showed slight reductions compared with October, 1934.

On the other hand, many cities report fairly substantial increases, notably Oshawa, where the total is up 10 per cent. Windsor living costs are higher by 8 per cent, Sault Ste. Marie up 7 per cent, Hamilton, 6 per cent, and London up 5½ per cent. In each of these cities higher rentals play the most important part in the increase, though in Oshawa food costs are reported to have gained equally with rentals.

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Windsor's Business Barometers

Speaking of Windsor, fewer communities keep better statistical tab on themselves than this city—now eighth ranking city in Canada. The monthly bulletin of the Windsor Chamber of Commerce gives detailed analysis of employment in both automotive and non-automotive groups plus other valuable information on telephone, hydro-electric, customs, buildings, bank and other data.

The October bulletin showed good gains all along the line. Employment in this community covering 154 concerns totalled 16,513 in October an increase of 4,658 for the same month a year ago and a gain of almost 4,000 over September. The largest gain was in automotive plants, although other groups (which employed about 5,540 during the month) also reported an increase.

The number of telephone calls to Detroit and near-by points and also the number of long distance calls were the highest for the year to date. The number of active hydro-electric meters showed further gains as did the number of passengers carried on the Sandwich, Windsor and Amherstburg Railway. Customs receipts were almost 90 per cent higher than a year ago, while bank clearings were at the best figure made in October since 1931. Building permits were nearly triple the amount in October, 1934, and were almost back to the 1930 level.

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Britain Wants New Deal

That Britain is as anxious as Prime Minister King to review the Ottawa Agreements is indicated by the special comment in the November issue of London Times "Trade & Engineering."

"Canadians are not alone," says T. & E., "in thinking it desirable to review the position under the Ottawa agreements before the prescribed term expires, with a view to revision where it is found necessary. Resuscitation of the British committee on Empire trade which is composed of representatives of the association of British Chambers of Commerce, the Federation of British Industries and the Chamber of Shipping of the United Kingdom has already been announced, and it is understood that the three constituent bodies are preparing statements which later will be considered by the committee and will presumably form the basis of joint recommendations.

"For the purpose of these statements, generalities are of little use; the questions at issue relate to the ascertained effect of the arrangement made in the various branches of trade concerns."

A major point in which Britishers are interested is apparently the interpretation that should be put on clauses in the agreements relating to the "opportunities to compete." Apparently the chief ground of complaint on the part of British exporters has been the "inordinate delay in announcing any decision." "It remains to be seen," says this journal, "what effect, if any, the change of government in Canada will bring about."

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U. S. Building Boom

Fresh evidence of the upward trend in residential building in the United States comes with October contract awards, which amounted in that month to over $55 millions, or a gain of 109 per cent above the same month a year ago. The increase over September was 32 per cent. Thus, for the first ten months of 1935, residential contracts awards amounted to $394 millions, an increase of 84 per cent over 1934. Practically all this was due to private building as distinguished from housing construction of public agencies.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.25	$6.10	$5.00
Hogs	8.65	8.60	8.65
Copper, lb.	.09¼	.09¼	.09
Cotton, lb.	.1225	.1230	.1255
Rubber, lb.	.1306	.1309	.1294
Sugar, raw, lb. ...	.0340	.0340	.0308
Silk, lb.	2.06	2.15	1.31
Wheat (Man.) bus.	.87⅝	.85⅛	.79⅛
Coffee, lb.	.06⅝	.06⅝	.09⅝
Weekly Indices			
N. Y. Annalist	128.4	127.9	116.6
Fishers'	84.3	85.0	78.9
N. Y. Journal of Comm.	82.2	82.2	75.8
Crumps (Brit.)	68.6	68.5	64.0
U. S. Labor	80.1	79.8	76.6
Canada (D.B.S.) ...	72.5	72.4	71.2
Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Oct.)	80.4	79.6	79.1
W'sale (Oct.)	73.1	72.3	71.3
U. S. Labor (Sept.) ..	80.6	80.5	77.8
Gt. Brit. (Sept.)	69.9	67.6	65.7

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar — 96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

John D. Gilmour
(B.Sc.A., B.Sc.F., Toronto)
CONSULTING
LOGGING ENGINEER
QUEBEC, P.Q.

Member Executive, Pacific Logging Congress; Member of Canadian Society Forest Engineers, Quebec Association of Forest Engineers, Senior Member Society of American Foresters.

Organization and management of large pulpwood-logging operations. Available in logging or timberland problems.

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ANTI-FREEZE ALCOHOL
IS MORE THAN JUST ALCOHOL

Don't experiment with radiator protection this season, use HOT SHOT the efficient, economical and easy-to-use Anti-Freeze Alcohol.

Made good last year and will repeat this Winter . . . it is protective as well as efficient . . . non-corrosive, with retarded evaporation . . . does not clog, gum up or injure the radiator . . . economical, too!

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Product of
GOODERHAM & WORTS, LIMITED
Canada's Oldest Distillery
Established 1832

What Life Insurance Means to the MEN of Canada

TENS OF THOUSANDS of men—in every walk of life—look to Life Insurance for freedom from their financial worries.

To YOU—whether you are a wage earner, farmer or business man—Life Insurance means money when most needed.

It means that YOU can create a sizeable estate immediately—and pay for it out of your current savings.

It means that, should you die, *your* family will have money to pay for food, clothing, shelter and other necessities.

It means that *your* family will be reared in self-respect—freed from the humiliation of private charity or public relief.

It means that your children will be assured an education—that they will have a fair start in life.

It means funds to pay off the mortgage on your home or your farm.

It means funds to continue any business in which you may have an owner interest.

It means ready cash in times of emergency.

It means funds to provide for a comfortable old age—to make you financially independent when your working days are over.

Day after day, year after year, you can always depend upon your Life Insurance to safeguard yourself and loved ones—to give you the peace of mind which is so essential to health and happiness.

L-11X

Life Insurance

Guardian of Canadian Homes

STATE POWER THREATENING BRAZILIAN

Central Railway Electrification Offers Opportunity If Government Refrains

COMPANY BUSIER

Coffee Surplus Overhangs Market — Other Products Exported Increase — Exchange Fluctuates

Brazilian Traction Light & Power Co. faces an interesting situation in Brazil because Central Railway of Brazil has given contract to an English electrical firm to electrify its suburban lines. Once electrification is completed, Brazilian Traction would like to sell the power needed. Brazilian has the power to sell and it has no present competitor.

But there is the possibility that it may not get the business on account of a public ownership campaign now being waged. Important Brazilian newspapers argue that it would be wasteful and uneconomic for the government to build a power project when there is power already available. At least one contends strongly that this is an opportunity for the government to start power enterprise and then expand if possible at the expense of Brazilian. The power bill itself for Central Railway of Brazil will probably not exceed $720,000. Brazilian could flourish without it. The more serious feature to investors is the possibility that the Brazilian government may repeat the mistake so often made on this continent of establishing state competition to utility companies already giving adequate service and capable of expansion to meet all needs.

Seeking New Rates

The matter is complicated by the fact that Brazilian Traction is seeking new agreements with various municipalities. The utilities formerly charged rates based on the value of the milreis in gold currencies. This privilege was withdrawn by President Getulio Vargas and the question of new rates is in the frying pan. Temporary rates apply in the meantime. Net monthly revenues reported have been falling ever since June but Brazilian newspapers to hand state that the lower rates have stimulated use of telephones, gas and electricity. The company is supplying greater and better service, in other words, but the earnings of owners from the services have been dropping. Provision is made for arbitration of new rates decided on by permanent rates commission if there is objection.

The temporary rate schedule forced on the company may have stimulated utility sales. More important is the fact that industrial activities and construction in 1935 have been on a high level. Cotton and wool piece goods plants continue to operate at close to capacity. Progress is being made in making machinery of all kinds within Brazil. There is too much coffee still in storage but more cotton, fruit, cocoa, sugar and nuts are being produced.

Seeks Trade Agreements

England, France, the United States, Spain and other countries have been trying to arrive at commercial pacts. Brazil cannot make any enduring arrangement about foreign debt at present but she is doing her best to promote trade with other countries. Her statesmen urge that payment of debts will be constant when international trade is restored to something like old levels. This makes all holders of government securities outside Brazil and of stocks like Brazilian, interested in Brazil's politics and in prospects for her commercial and financial come-back. A balanced budget will be one of the most welcome signs and eventual disappearance of the unwieldy coffee surplus will be the most welcome of all.

Budget Deficit Increases

A free market for exchange must be a preliminary to dividends on Brazilian. A free market on exchange must have other preliminaries of budget balancing as well. The federal budget has not been balanced. The original budget estimate for the current year was for a deficit of 269,000 contos (a conto is 1,000 milreis and the milreis fluctuates on the free exchange market between 5 and 6 cents.) The Congressional Finance committee reported amendments to the budget which will increase the deficit to 600,000 contos for the year.

The Minister of Finance says partial service will be continued on the federal, state and municipal foreign debt "as long as possible." The increasing deficit, however, seems to mean either increased taxes or reduced service on debt. Already customs duties are being increased automatically by collecting duties at the free rate of exchange rather than at the official rate. One exception to this order, which may interest Canadians, is newsprint. The Bank of Brazil will provide exchange for 50 per cent of the value of drafts on newsprint imports.

Yet foreign trade is growing. In the first half of 1935 it was 3.6 million contos compared with 2.8 million contos for the first half of 1934.

The value of exports increased by 15.2 per cent and imports by 50 per cent. The change in method of levying duties was to penalize imports and raise revenue.

Exports of all principal products except coffee increased substantially. Major gains were in shipments of cotton, sugar, wool, tallow and lard.

The cotton crop of 1935 was expected to be 370,500 metric tons, compared with 279,700 metric tons in 1934. According to the Department of Agriculture estimates Sao Paulo crop was reduced by unfavorable weather and the ravages of pests. The largest part of the increase was in northern Brazil but September rains were heavy and damaged cotton crops.

The 1935 silk output in Sao Paulo is estimated at 60,000 kilos of thread, a substantial increase over the previous year.

Cocoa output, estimated at 1.6 million bags was affected by rains in September. Practically all of this is exported—two-thirds of it to the United States.

The next Perambuco sugar crop will be 30 per cent greater than the previous year. Brazil has started selling lemons to Great Britain. Other fruit imports of Great Britain are increasing. Banana exports show gains with 5 million stems in the first half of 1935 against 3.9 million in the first half of 1934.

But coffee is still overwhelmingly the main export. The official rate of exchange still applies. Before Brazil can be considered in sound position the carry-over surplus must be reduced, just as Canada's wheat surplus must be reduced, to reasonable proportions. Then coffee can be sold at the free rate of exchange.

The National Coffee department reports exports in the year ended July 30, 1935, at 14.86 million bags compared with 16.06 million bags in the preceding year. Prices were weaker due to fluctuations in milreis exchange. Sales went higher in July, August and September but slowed down in October.

The coffee destruction plan has slowed down. Only 35,000 bags were destroyed in July and only 1,048,000 bags in the first seven months of 1935. The total destroyed since burning began in 1931 is 35.2 million bags and before 1935 the rate was one million bags a month for awhile.

The National Coffee Congress which met in July at Rio de Janeiro asks for the National Coffee department to be continued. It wants the department to acquire for destruction four million bags of the 1934-35 crop carryover in place of a sacrifice quota from the present crop. It suggests a penalty of five milreis per tree for planting of new coffee trees except when needed to replace old trees and except in states not having 50 million coffee trees under cultivation. All this shows Brazil's main problem to be yet far from solution. The halt in burning of coffee makes the carryover situation in July, 1936, and July, 1937, a matter of doubt. A big crop in either year would further complicate the price situation.

Municipal Finances

Begin Twp., Que., is paying interest coupons due Oct. 1, 1933.

* * *

Riviere du Moulin, Que., is paying interest coupons due May 1, June 1, and September 1, 1934.

* * *

Laterriere Village, Que., has been authorized to pay coupons and overdue interest up to May 1, 1935.

* * *

Pembroke, Ont., in default, had cash receipts of $263,482 for the year to Nov. 15, compared with expenditures of $195,420. Payments, however, do not make full allowance for debenture charges.

* * *

Prince Albert, Sask., has reduced bank loans by capitalizing relief expenditures, and by applying proceeds of sale of city-owned real estate to reduction of loans.

* * *

St. Thomas, Ont., current tax collections for 10 months were $552,151 of a levy of $689,958, or over 80 per cent, compared with 76.1 per cent in the 1934 period.

* * *

Calgary, 1936 assessment will be reduced $2.5 millions due to the recent property revaluation survey.

* * *

Edmonton tax collections were $3,213,702 for the first ten months of 1935 compared with $2,701,999 for the 1934 period. These collection figures include arrears. It is anticipated that total collections, including arrears, will be close to 100 per cent of the 1935 levy which will leave a deficit of some $150,000 for the year.

* * *

Grey County, Ont., has a debenture debt of approximately $525,000 and sinking fund investments of $255,000. Receipts for the first ten months of 1935 were $353,897, expenditures $348,066.

* * *

Woodstock, Ont., one of Canada's best tax collecting cities, is improving on its good 1934 record.

* * *

Regina tax collections for the first ten months amounted to $1,693,646, including arrears, or 67 per cent of the levy, compared with 61 per cent in 1934. City utilities show a surplus after all charges of $386,801 for the first nine months, compared with $388,795 for the full 1934 year.

* * *

Toronto tax collections to Nov. 9 were $27,206,238, or 76.6 per cent of the levy. This compares with collections of $26,095,933 or 74.8 per cent of the current levy in the 1934 period. Arrears of taxes from 1934 were $8,315,100 on Nov. 9 as against $8,807,910 of arrears on Nov. 10, 1934.

* * *

Vernon, B.C., collected 89.3 per cent of the 1935 tax levy up to Oct. 31, compared with 86 per cent in the 1934 period. Arrears collections have also improved materially.

* * *

Saskatoon 1935 budget will be balanced due to improved tax collections. Debenture debt has increased some $230,000 this year but sinking fund has grown $508,169. Current bank loan at Sept. 30 was $932,713, an increase of $21,120. In the first nine months of 1934 the loan had increased $261,393. It is believed that the large increases in the loan have been stopped.

* * *

Weyburn, Sask., had gross revenue of $158,773 for the first ten months of 1935 compared with $135,226 in the 1934 period. Deficit for ten months was $9,519 after allowing $10,000 of uncollectable taxes.

* * *

Montreal income tax payers are being required to furnish the city a copy of the Dominion notice of income tax assessment in order to verify the basis upon which the city's income tax is collected. By this means Montreal avoids having to obtain a complete return from each tax payer.

* * *

Brantford, Ont., expenditures for the first nine months were $797,000 compared with estimates of $1,070,000 and a budget for the year of $1,427,000. Revenue was $987,926. All spending boards are within estimates.

* * *

Chatham, Ont., bank borrowings were $210,000 at the end of September compared with $240,000 a year previous. Tax arrears for 1934 and preceding years have been reduced materially and 1935 collections have increased.

* * *

Montreal will have a deficit of $1.5 million in 1935 according to Alderman W. H. Biggar. He has suggested reduction of $2 million in administrative expenses by economizing.

* * *

Brandon, Man., is to adopt more intensive tax collection methods in the near future. The city has bought from Wood, Gundy & Co., $29,000 of its own 5½'s due Sept. 1, 1939, at 99 and $1,000 of 4½'s due 1936 at 99¾. It sold $30,000 of Saskatchewan 5's due May 1, 1939, at 100. This was a sinking fund deal.

* * *

Windsor, Ont., tax collections show an impressive improvement this year over 1934. Collections for Walkerville, East Windsor, Sandwich now merged into greater Windsor have also improved. Windsor collected 68 per cent of its tax roll in the first ten months.

* * *

Hamilton revised assessment for 1936 is $168,180,870 compared with $167,935,530 for 1935. An increase in taxable income of $280,000 accounts for an important part of the gain. The city expects to lose its income tax revenue to the Province of Ontario, but expects to get compensation.

* * *

Langley, Surry, and **Matsqui**, B.C., municipalities, may have to appeal to the British Columbia government for assistance in solving their financial difficulties. Supervision has been suggested.

* * *

Vancouver collected 78.6 per cent of the current tax levy to Oct. 31, compared with 70.5 per cent in the 1934 period. Total revenue was $12,956,311 for ten months compared with $13,068,558 for the corresponding 1934. The improvement was effected despite a drop of $1 million in assessment and a reduction of two mills in the tax rate. Cost of work projects in sight is estimated at $1,401,039 plus $85,243 already spent. Cash available and subscriptions from the baby bond issue total $1,247,056. The works programme includes the $1 million city hall project.

* * *

Stratford bank borrowings recently reached $415,000, about $120,000 higher than a year earlier. Various increases in expenses account for the rise. If, as is planned, the city issues debentures for part of 1935 relief costs, the loan will be reduced $50,000.

* * *

Westmount budget for 1936 is $1,120,792, slightly higher than in 1935, but the tax rate will stay at 13 mills, on an assessment of $67,106,294.

MELCHERS PAYS 50c ON A STOCK, SAME AS IN 1934

Interim Payment Reflects Higher Earnings—Outlook Improved

From Our Own Correspondent

MONTREAL.—Directors of Melchers Distilleries Ltd. have declared an interim dividend of 50 cents a share on the class A stock of the company. The disbursement is payable on Dec. 15 to shareholders of record Dec. 2, 1935. It corresponds with the 1934 payment.

The dividend applies on the arrears on the A stock, which have accumulated to the extent of approximately $10 a share at the present time.

The current dividend declaration involves the distribution by the company of $50,000, as there are outstanding 100,000 of the class A shares. Regular dividends were paid on this stock up to and including September 15, 1930. The December 15, 1930, dividend of 50 cents a share was deferred and paid on December 15, 1934. The present declaration is the first made since that time.

Earning Power Better

Earning power of Melchers has been steadily improving and last year net income totalled $75,363. This was equivalent to 75 cents a share on the class A stock. While no reports are available as to income during the current year, it is the general understanding that revenues have been higher. Last year the company made a contract for the sale of its Bourbon whiskies with a New York firm and it is reported that deliveries have been fairly substantial.

In addition to the improvement in earnings, the decision of the directors to declare the interim dividend has been further influenced by the recent trade agreement between Canada and the United States. Under this agreement, the duty on shipments of alcohol to the United States is reduced from $5 to $2.50 a gallon. This move is expected to result in a marked improvement in the volume of sales of Canadian alcohol in the United States.

BONDHOLDERS LA SALLE HOTEL APPROVE PLAN

Drummond St. Realty Co. Reorganization Cuts Obligations

From Our Own Correspondent

MONTREAL.—Bondholders of the Drummond St. Realty Co., owners and operators of the LaSalle Hotel in Montreal, have approved the plan of reorganization.

The plan calls for the creation of a $400,000 5 per cent general mortgage income bond issue, dated October 1, 1935, and maturing on the same date in 1955. The bonds are not cumulative as to interest and carry the same rights as the present bonds

Holders of the 6½ per cent refunding sinking fund mortgage bonds, of which $625,000 were issued originally, will exchange their bonds for the new income bonds on the basis of $50 for each $100 par value of gold bonds. Further the bond holders will sell the unpaid matured interest coupons, covering the period from February 1, 1932, to August 1, 1935, at 10 per cent of their face value, payment to be made in the new income bonds. This brings the total distribution to the holders of the refunding mortgage bonds up to $60 for each $100 par value of bonds together with the unpaid coupons.

In order to carry out these two transactions it will be necessary to distribute $343,680 of the income bonds.

The balance of the issue, $56,320, will be used by the directors at their discretion for capital expenditures or working capital.

In addition to the change of bonds, the holders of the refunding securities have given authority to the directors to issue a first mortgage bond to an amount not exceeding $375,000 to carry coupons paying not more than 5 per cent. Proceeds of this issue can be used to pay off $325,000 present first mortgage bond issue, affecting part of the present immovable property in favor of the Chartered Trust and Executor Co. and all arrears of taxes.

St. Jerome Seeks Contract With Gatineau Power Co.

From Our Own Correspondent

MONTREAL. — Negotiations are now going on between city officials of St. Jerome and the Gatineau Power Co. regarding the terms of the new contract whereby the city is to be supplied with light and power by the company. The old contract expires shortly and, it is understood, the city has asked the company for new terms, details of which will not be made public until toward the end of the month.

Knit Goods

Record Peak of Employment Reached in October

From Our Own Correspondent

MONTREAL.—An all-time peak of employment in the woollen and knitting trades was reached in Canada last October, according to a statement made by H. W. Lundy, president, at the annual meeting of the Canadian Woollen and Knit Goods Manufacturers Association.

On October 1 of this year, he said, employment in the industry reached an all-time peak of about 34,000. For every hundred people employed in the industry in 1930 there are 129 employed today. This increase of employment, he stated, is not centralized. It is widespread, because the industry is essentially of small units, small town industries; there being 297 mills located in 137 municipalities.

Mill Prices Lower

"Owing to the increased production, reducing overhead costs, and steadier demand, allowing for planned production," he said, "the mill prices of our products have been reduced to a greater extent than reductions in prices of raw materials." He pointed out that while the increased employment had benefitted numerous small centres in Canada, British goods had not been shut out, that the industry in 1934 had bought from Great Britain nearly 17 million pounds of wood, wool cotton and wool yarns. In addition to this the cloth manufacturers in Great Britain had "seven yards of cloth in Canada for every ten yards of cloth sold by Canadian manufacturers."

C.P.R. Secures Permit To Abandon Shore Line

From Our Own Correspondent

MONTREAL. — Permission has been granted by the Board of Railway Commissioners to the Canadian Pacific Railway to abandon that portion of the New Brunswick Southern Railway known as the Shore Line subdivision of the C.P.R.

McConnell Succeeds Black As Head of Ogilvie Flour

From Our Own Correspondent

MONTREAL. — Owing to the necessity that he live elsewhere, W. A. Black has resigned from the presidency of Ogilvie Flour Mills after having held that post for a great many years. He is succeeded by J. W. McConnell, prominent Montreal financier and president of St. Lawrence Sugar Refineries.

Directors were re-elected as follows: Sir Montagu Allan, C.C.O.; W. A. Black, R. R. Dobell, Sir Charles Gordon, Sir Herbert Holt, Elwood B. Hosmer, Beaudry Leman, F. K. Morrow, J. W. McConnell, and Sydney T. Smith.

R. R. Dobell was again appointed vice-president, while G. A. Morris was named to the newly-created position of general manager. J. C. McLaughlin continues as treasurer, while H. K. Hepburn was named secretary and H. Cranfield, assistant secretary-treasurer.

B.C. Plant Extensions

Plant extension in B.C. in the first six months of 1935 amounted to $527,000. This is made up of amounts ranging from $1,000 to $20,000 and shows a general improvement. The increase in business is general.

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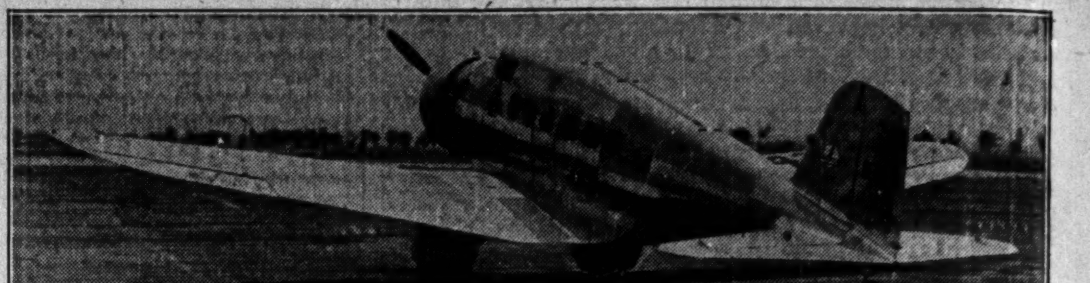

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ALL METAL CONSTRUCTION FOR PASSENGERS AND FREIGHT
All Northrop Planes provide cargo and passenger capacity greatly in excess of any other single engine high-speed plane. Their efficiency has been thoroughly proved by over 10,000,000 miles of air mail service.
Available with floats, wheels and skis.
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EXCLUSIVELY BY
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HEAD OFFICE — MONTREAL
NEW GLASGOW TORONTO DRUMHELLER WINNIPEG EDMONTON VANCOUVER

REFUNDING ISSUE

$1,500,000

Maritime Telegraph & Telephone Company, Limited

Thirty-Year Refunding and General Mortgage Bonds, Series "B"

6% interest to July 1st, 1941, payment—4½% thereafter to maturity

To be dated January 1st, 1936 To mature January 1st, 1966

Principal and semi-annual interest (January 1st and July 1st) payable in lawful money of Canada in Halifax, Montreal or Toronto. Bonds in denominations of $1,000 and $500 with privilege of registration as to principal or as to principal and interest. Redeemable as a whole at the option of the Company on any interest payment date on 60 days' notice at 104 on July 1st, 1941; thereafter on or before July 1st, 1946, at 103; thereafter on or before July 1st, 1952, at 102; thereafter on or before July 1st, 1958, at 101; and thereafter on or before maturity at 100; in each case with accrued interest.

The Eastern Trust Company, Trustee.

Mr. J. H. Winfield, President and Managing Director of the Company, has furnished us with the following information:—

CAPITALIZATION
(On completion of this financing)

	Authorized	Issued
Refunding and General Mortgage Bonds		
Series "B" (this issue)		$1,500,000
5% Series "A," due January 1st, 1956		1,500,000
7% Cumulative Preferred Stock (Par value $10)	*	1,500,000
Common Stock (Par value $10)	*	3,614,660

*Total capital stock authorized $7,500,000

THE COMPANY: The Maritime Telegraph & Telephone Company, Limited, incorporated under Nova Scotia Charter in 1910, owns and operates without competition the principal telephone system in the Province of Nova Scotia. Through a wholly owned subsidiary, Atlantic Utilities Limited, which owns all of the issued capital stock (except directors' qualifying shares) of The Island Telephone Company Limited, a telephone operating company, the Company controls the principal telephone system in Prince Edward Island.

The Company operates directly and through its subsidiary, Atlantic Utilities Limited, 42,877 telephone stations and serves a population of over 600,000 in the Provinces of Nova Scotia and Prince Edward Island. Connection with the New Brunswick Telephone Company's system, the Trans-Canada Telephone System and other telephone companies enables the Company to give complete long distance toll service to its subscribers. The systems of The Island Telephone Company Limited and of Maritime Telegraph & Telephone Company, Limited are connected by submarine cables operated by the Company under long term lease.

The Company operates under the jurisdiction of the Board of Commissioners of Public Utilities of Nova Scotia, which is authorized to allow the Company such rates as will enable it to earn 8 percent per annum on the value of its properties as appraised by the Commission. This issue of Series "B" Bonds has been approved by the Commission.

EARNINGS: Earnings of the Company for the three years ended December 31st, 1932 to 1934 inclusive, were as follows:—

Year ended December 31st	Total Operating and Non-Operating Revenues	Operating and Other Expenses	Depreciation	Net Earnings Available for Bond Interest
1932	$1,762,903.62	$1,085,733.69	$357,643.59	$319,526.34
1933	1,683,348.49	960,847.28	260,680.48	461,820.73
1934	1,718,326.66	959,940.45	264,530.03	493,856.18

For the three years ended December 31st, 1934, average earnings available for bond interest, before charging depreciation, were therefore $719,352.45, or over 4.35 times the combined annual interest requirements amounting to $165,000 on the Refunding and General Mortgage Bonds, Series "A" and "B."

After deducting depreciation from such average earnings, the balance is $425,067.75, or more than 2.55 times the annual interest requirements on the Refunding and General Mortgage Bonds.

ASSETS: As at December 31st, 1934, the assets of the Company, based on the last valuation by the Board of Commissioners of Public Utilities of Nova Scotia, with subsequent additions less depreciation, had a valuation for rate making purposes of $7,946,476.00.

PURPOSE OF ISSUE: These Bonds are being issued for the purpose of redeeming and cancelling the Company's $1,500,000 of 6% First Mortgage Bonds, due 1941. This issue is for refunding purposes only and does not increase the Company's outstanding funded debt.

SECURITY: The Thirty-Year Refunding and General Mortgage Bonds, Series "B" (this issue), will be a direct obligation of the Company and in the opinion of Counsel will, together with the Series "A" Bonds of the Company and any additional Bonds issued under provisions of the Deed of Trust or Mortgage of January 1st, 1926, be secured by a first fixed and specific mortgage and charge on all the real and immovable property now owned or hereafter acquired by the Company, and by a first floating charge on all assets of the Company not covered by such fixed and specific charge. All Bonds issued and to be issued under the provisions of such Deed of Trust or Mortgage rank equally and rateably.

Bonds additional to Series "A" and "B" may only be issued hereafter under the provisions of the said Deed of Trust or Mortgage up to 75 percent of the cost or fair value, whichever is less, of capital expenditures for additional property, acquired or constructed by the Company, but only when net earnings of the Company for any twelve consecutive months during the fourteen calendar months next preceding the date on which such bonds are to be issued, shall be not less than one and three-quarter times the annual interest charges on all bonds outstanding, together with those about to be issued; providing however, that in no event may bonds under this mortgage be outstanding to an amount exceeding twice the amount of the paid-up capital stock of the Company.

All legal matters in connection with the issue of these Bonds will be subject to the approval of Messrs. Pearson, Rutledge & Donald, for the Company, and of Messrs. McInnes, Lovett & MacDonald, for W. C. Pitfield & Company, Limited.

As underwriters of this issue of Series "B" Bonds, we will accept exchanges of the Company's First Mortgage Bonds, due 1941, at any of our offices.

Price on application

W. C. Pitfield & Company, Limited

MONTREAL QUEBEC TORONTO OTTAWA SAINT JOHN MONCTON HALIFAX VANCOUVER
CAMPBELLTON FREDERICTON CHARLOTTETOWN

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in underwriting these securities.

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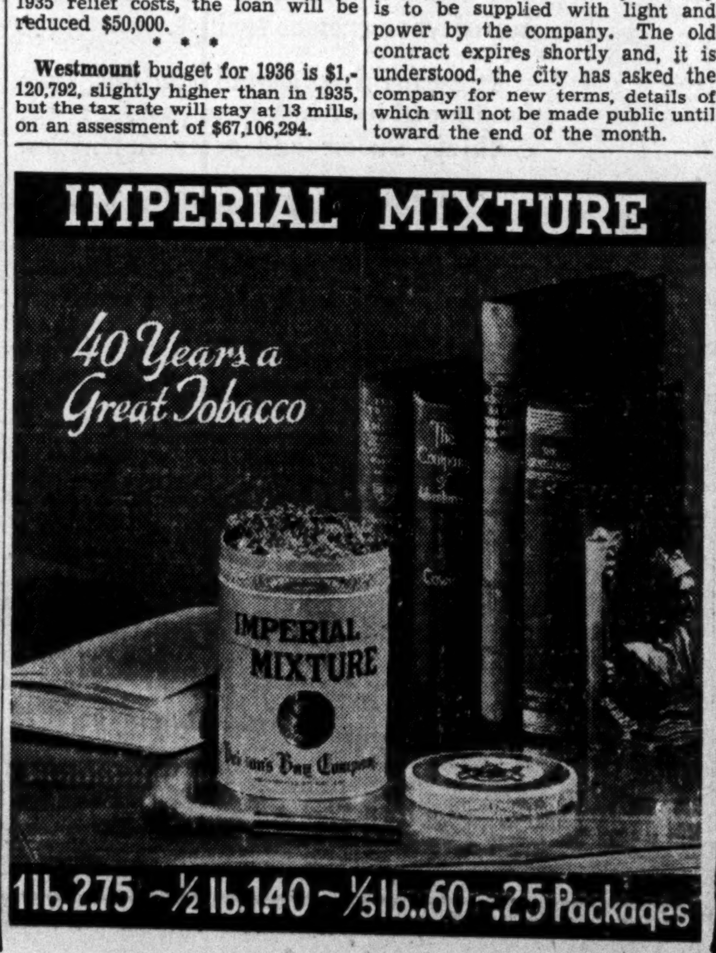
Beaupré, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp



Your Investments

What We Do:

1. Give information on Canadian securities to enquiring subscribers by early mail.
2. Publish anonymously on this page letters of general interest.
3. Supply an enquiry service of fact rather than of opinion.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on United States or foreign securities.
3. Reply by telephone or telegraph to enquiries.
4. Select lists of securities; express opinions; forecast the future.

Three-cent stamp must be enclosed. Write mining and insurance enquiries on separate sheets. Address the editor, The Financial Post, 481 University Ave., Toronto.

Supertest Petroleum

I hold 25 shares of Supertest Petroleum which I purchased at $36½ a share. Can you give me some information on the company's current position?

Supertest Petroleum does not publish an income statement, but working capital position has been well maintained in recent years and surplus has been steadily increased. Dividends are being paid on all securities. In recent years limited production has been the rule and has not been a disadvantage.

Sarnia Bonds

I am considering the purchase of some city of Sarnia bonds. Do you consider these a reasonably safe investment? Is this city in good shape with respect to relief expenses, industries and debt?

Sarnia has a big asset in the Imperial Oil refineries. Resumption of more active shipping on the Great Lakes would help the city's business and finances. Last year the city's accumulated tax arrears amounted to about 50 per cent of the current budget. This is fairly high. The city's debenture debt, however, is moderate, being less than $2.2 millions, and other liabilities bring the total debt up to approximately $2.5 millions. Like other Ontario municipalities the city would suffer if the provincial government decides to make each municipality pay the entire cost of relief, or if it even reduces substantially the amounts granted for relief costs. Sarnia's relief expenditures compare favorably with those of many other cities. The city's bonds are not regarded as in the front rank of municipal securities, but are not unfavorably situated.

City of Lethbridge

I hold $10,000 of city of Lethbridge bonds which I purchased at 97. Do you consider these bonds a good investment?

Lethbridge has the advantage of a city management form of government. The debenture debt last year was $4.2 million, less sinking fund, leaving a net debt of $2.2 million. There were also other liabilities of about $300,000. The city's tax arrears amounted to about two-thirds of the budget, which is high. While these debentures are far from being the highest quality of municipal securities, there is an advantage to the investor in the close scrutiny of municipal finances by Alberta provincial authorities. The bonds, of course, are adversely affected by the "social credit" agitation in Alberta.

Beauharnois Power

Some time ago I made a small commitment in the bonds of Beauharnois Power Corp. I would like to have your opinion as to the present standing of this security.

Beauharnois Power Corp. collateral trust bonds, which do not call for interest payments until 1938, are regarded as speculative in view of the uncertainty existing over the contracts made between Ontario Hydro and the Quebec utility companies. In the event of Beauharnois losing all of its Ontario Hydro business, there is reason to believe that the company could not meet all its obligations. On the other hand the Ontario Hydro may decide to enter into new contracts which would permit Beauharnois to earn sufficient revenue to take care of interest on its collateral trust bonds. The situation, however, is still very uncertain.

Reliance Grain

Among my holdings are a few shares of preferred stock in Reliance Grain Co. I have gathered that this company is not doing very well and would like to know what the prospects are.

Reliance Grain is confronted with the same difficulties as other grain companies in the west, namely, a limited volume of grain to handle. In the financial statement issued by the company covering the 1934-35 operations, the president stated that the outlook for the coming year was not particularly promising as expectations were that there would be a smaller volume of grain to handle. Consequently it is not expected that there will be any material improvement in the company's position over the next 12 months.

Inter. P. and P.

Among my holdings are a few shares of preferred stock in International Paper and Power Co. What is the present situation of this concern?

The position of International Paper and Power preferred is very indefinite. The company has been experiencing difficulties with both its hydro electric and pulp and paper properties. At this time one cannot give a comprehensive forecast of the outlook of the company.

Catelli-Macaroni

I have a few shares of the Class A stock of Catelli-Macaroni Products and would like to know if you have anything bearing on this stock.

Earning power of Catelli Macaroni Products in the last two years has shown some improvement, though the company is not yet in a position to pay a dividend on its Class A stock. The most notable feature of the financial statement, however, has been the sharp reduction in the amount of outstanding "A" stock. At the end of the company's last fiscal year, there were 20,000 shares outstanding compared with the original issue of 30,000 shares. It is anticipated that the report for 1935 will show a further reduction.

Canada Vinegars

I own some Canada Vinegars Ltd. stock. What are the earning prospects of this company?

Canada Vinegars had earnings of $1.62 a share in 1934 compared with $1.73 a share in 1933. The prospect is for comparative stability of earnings with a tendency to increase as conditions improve. Nothing sensational, however, can be expected, although the dividend of $1.60 a share has been earned consistently.

Canadian Marconi

I am interested in Canadian Marconi Co. and would like to know the capitalization of the company; earning power in recent years; prospects of a dividend; extent of its operations, as well as those of its subsidiaries.

Canadian Marconi Co.'s capitalization consists of 4,554,682 common shares of $1 each. There are no bonds or preferred stock outstanding.

Earning power of Canadian Marconi over the past seven years has not been particularly satisfactory. From 1928 to 1930 the company showed net earnings averaging around $300,000 annually. There was a drop of $136,000 in 1931, while in 1932 and 1933 deficits were recorded. Last year the company showed a profit of $215,325 before depreciation. The trend of earnings of late has been somewhat more favorable, though there is no indication of the company paying a dividend on its common stock in the near future.

Canadian Marconi operates wireless telegraph and telephone services and manufactures broadcast transmitters, radio telephone and radio telegraph transmitters and receivers of all kinds, as well as radio direction finding equipment. The company has the exclusive patent rights in Canada for the operation of radio beam services on the Atlantic coast.

Canadian Marconi does not report having any subsidiaries. All its operations are carried on under one firm name.

McColl Frontenac

Has McColl-Frontenac earned the dividend paid on its common stock and what are the prospects on earnings for the current year?

McColl-Frontenac Oil Co.'s financial statements for the past few years have shown the dividend on the common stock to be earned by a comfortable margin. An interim report issued by the company this year carries the assurance that net earnings are running somewhat larger than a year ago, so that it is to be expected that the 1935-36 statement will show earnings as good, if not better, than reported in the last fiscal year.

Canada Cement

I would like to have a report on Canada Cement Co. and information on the prospects of the company paying a dividend on its preferred stock in the near future.

Canada Cement Co. has come through the depression years fairly satisfactorily. Its liquid working capital at the end of 1934 was greater than it was at the close of 1930. Earning power has been limited, due to the small amount of cement business available. Prospects of the company are more encouraging just now than they have been for some time. It is believed that the management will continue to follow the policy of reducing the funded debt before taking any action in regard to resumption of dividends on the preferred stock.

Western Canada Flour

Will you please let me have some information regarding the prospects of Western Canada Flour Mills Co?

Western Canada Flour Mills recently completed a poor year. The chief reason was that the high price of wheat in Canada, as compared with the price of foreign wheat in Liverpool, handicapped the company in export competition against foreign millers. This condition has been rectified in the last few months and the company may now have better success.

If normal export competition is restored, there appears to be a possibility of the company being able to earn its preferred dividend. Arrears of some $12 a share will have accumulated on the preferred stock by the end of this year. This means that the common stock must wait a long time before there is any prospect of a dividend payment.

C. S. L.

Will Canada Steamship Lines start paying interest on its general mortgage bonds this year? I gather that the company has been able to record an improvement in its position. Is this correct?

Canada Steamship Lines is slowly improving its financial position. There is no immediate prospect of resumption of interest on the 6 per cent general mortgage bonds. Over the last two years C.S.L. has liquidated its bank loan, and with a return of normal business steps will be taken to reorganize and place the company in a stronger financial position.

Dominion Textiles

Please be good enough to let me have your opinion on the common stock of Dominion Textile Co. The market value appears to be low in view of the dividend paid by the company.

Dominion Textile is the largest of the cotton textile companies operating in Canada. Its record of operations and earnings, over a period of many years, has been a favorable one. The management is conservative, yet aggressive, and dividends have been paid uninterruptedly on the common stock for many years. From an investment point of view the stock has one principal drawback in that the company is subject to the influence of tariff changes. Consequently, uncertainty over probable adverse tariff developments has detracted from the otherwise high investment merits of the security.

Canadian Westinghouse

Can you give me the high and low prices for Canadian Westinghouse common stock for the last ten years?

Canadian Westinghouse common stock is not listed so that we cannot give you precise high and low quotations for the last ten years. The high price over the period was about the equivalent of $100 a share for the present stock in August and September, 1929. Apparently the lowest quotation, in January, 1926, was the equivalent of $25 to $26 a share for the present stock. Since 1929, Canadian Westinghouse common has sold as low as $35 a share and may have sold at lower levels. There is no precise record of transactions, so we cannot be sure of the low post-crash figure. Recent quotations for the shares are about $52 each.

Dominion Glass

What is the prevailing opinion on the stock of Dominion Glass Co. as an investment? Has the company a good record?

Dominion Glass is the principal manufacturer of glass products in Canada. It has a well-established earning power and its finances are in sound shape. The company is not a spectacular performer, and its securities hold attraction only for the investor who is chiefly interested in safety of principal and regularity of returns.

Montreal Tramways

Will you please outline to me the position of Montreal Tramways Co.? Is the dividend on the common stock being fully earned?

Montreal Tramways Co. revenue is received from the Montreal Tramways Commission on the contract made with the city of Montreal a number of years ago. In the last two years the Commission's income has been insufficient to take care of all charges, including the payment of an annual rental of $500,000 to the city. In 1934 the Commission did not pay the rental to the city and was about $95,000 short of the payment made to the company. Despite this shortage, the revenues of the company from the contract and other sources were sufficient to take care of all charges, including the payment of a $9 dividend on the capital stock.

It is our understanding that the financial statement of the Commission for 1935 will not show any material change from that reported a year ago. This is taken to mean that there will be no change in the company's policy in regard to the payment of dividends.

While the Tramways' returns in the last two or three years have not been particularly encouraging, the point should not be overlooked that a very small increase in traffic would enable the Commission to cover all charges.

Economic Investment

Can you give me an outline of the position of Economic Investment Trust? What are the dividend prospects?

Economic Investment Trust has been able to earn its debenture interest by a wide margin throughout the depression, and has paid common dividends every year since its formation in 1927. Naturally, earnings on the common stock and value of the company's portfolio have declined, but the company has prospered better than many other investment trusts. The management and direction are highly regarded.

As at March 31, 1935, the company's debenture debt was $949,500. The only other capital is 39,925 shares of common stock of $50 par. Dividends are being paid semi-annually. The last payment was 25 cents a share on October 1 last. A year-end dividend will be due on April 1, 1936, and will be based on earnings for the fiscal year which ends March 31. The year-end payment will probably exceed the October disbursement, and the company is expected to show an improvement in earnings. Profits amounted to 75 cents a share in the 1934-35 fiscal year, compared with 74 cents in the previous year. These were the two poorest years in the company's history. Equity for the common stock last March 31 was $22.26 a share, based on market value of investments.

De Havilland Aircraft

Could you give me information on an airplane manufacturing company in which I might invest?

There is only one Canadian airplane manufacturing company with shares on the market. That is, the De Havilland Aircraft of Canada. There are $270,500 of seven per cent preferred shares and 25,000 Class A shares in which there is public investment interest. The company's record, however, has been unsatisfactory, and preferred dividends are far in arrears. Working capital has been decreasing steadily, and the company has gradually turned its surplus into a deficit. If you want to invest in the aircraft industry, you might better look abroad.

Investment Analyses

Shawinigan

Position of Company Shows Marked Recovery from 1933 Low

From Our Own Correspondent

MONTREAL.—With investors becoming "stock-conscious" more attention is being given to common stocks of the sounder companies. Invariably the yield on this type of security is low, ofttimes lower than can be secured on government bonds, and the interest in them lies not in immediate capital return but in future income and possible appreciation in market value.

Shawinigan Water and Power Co.'s capital stock falls in this category. At the current price of around 20 to 21, the yield is in the neighborhood of 2.5 per cent. The relatively high valuation placed on the stock is in part a recognition of the company's comeback in the last three years and the prospects of larger earnings with a return of normally active conditions in the territory served.

On The Way Back

Shawinigan was hit hard after 1930 owing to the slowing down of industrial operations in its territory. Demand for firm power declined and a surplus of electrical energy weighed heavily on the company. The management met the situation by creating new markets for secondary power, especially for use in electric steam boilers in the newsprint industry. As a consequence of this move the company has been able to record greater sales of power than ever before in its history.

Earnings over the past 36 months have not paralleled the gain in power output, because a large percentage of the increased sales have been at what might be designated as a "dump rate." Despite the large amount of power sold in this way, a very encouraging feature of the current situation is the increase in firm power sales which have a more direct bearing upon earning power.

Features to Consider

In analyzing the outlook for Shawinigan, four features of the company's operations stand out—power, associated interests, legislation and finances. For more than 25 years Shawinigan has been steadily developing its water power resources on the St. Maurice River to keep pace with and in order to anticipate demand for power. The last development undertaken was that known as the Rapide Blanc unit on the Upper St. Maurice River. This was started after the depression set in and in order to finance its completion, the company curtailed dividends. This move gave the company several million dollars, but also it was necessary to issue over $4 millions of short term notes. With this unit the company has available all the developed power that it will require for some time.

Analysis of Power Markets

The power market of Shawinigan can be divided into two sections—wholesale and retail. Probably less than 15 per cent of the company's total output is retailed, so that the company is primarily interested in the industrial prosperity of its territory. One large block of power is sold to Montreal Light, Heat and Power Consolidated on a long term contract. Another goes to newsprint companies in the St. Maurice Valley area. A third block is diverted to the asbestos mining area in the Eastern Townships. Further large amounts are sold to Shawinigan Chemicals and other industries, as well as to the company's own retail distributing units.

The collapse of the newsprint market caused a marked curtailment in the demand for power. Over the past 18 months this situation has been reversed and the newsprint industry is again producing paper on a record scale. At the same time the asbestos industry has come to life, while other industries in the area have picked up. The result has been that power sales, both primary and secondary, are now on a larger scale than has been the case for some time past.

Retail System Important

In the area centring around Three Rivers and Shawinigan Falls and south of the St. Lawrence, Shawinigan has welded together a number of small distributing systems, which serve in the neighborhood of 380 municipalities. While the amount of power sold to domestic and commercial consumers is relatively small, this end of the business contributes substantially to the company's income.

Other Interests Stand Out

So much for the power situation. Associated interests of Shawinigan are of importance both in their direct and indirect effect on power operations, as well as a source of income. From 10 to 15 per cent of Shawinigan's gross revenue is classified as "other income."

These investments are of importance in surveying the position of Shawinigan. For example the company holds control of Quebec Power Co., the largest municipal utility system in the province outside of Montreal Power. It has a half interest in United Securities, which in turn controls Montreal Tramways Co. and Canadian Light and Power Co. It has a 20 per cent stock interest in Duke-Price Power Co., now known as the Saguenay Electric Co. Further Shawinigan owns control of Niacet Chemical Corp., Shawinigan Chemicals Ltd., Three Rivers Traction Co., Shawinigan Ltd. (distributor of chemical products in Great Britain and the continent), and has a substantial stock interest in Montreal Power, Southern Canada Power and other concerns.

Not all of these investments are on a paying basis, but the income already derived from them indicates their importance to Shawinigan. Many of these subsidiary or allied interests are potential money makers and should not be overlooked in considering the outlook of the Shawinigan.

Survey Share Earnings

Despite the relatively small drop in gross income, share earnings have fallen from $2.65 in 1930 to $1.09 in 1934. This is out of line with gross income for several reasons. In the first place the company has had very heavy expense in connection with the payment of premium on bond interest payable outside of the country. In 1932 this charge amounted to over $600,000. Since then it has rapidly dwindled and for 1935 is expected to be purely nominal. A second reason has been the increase in interest charges incidental to the Rapide Blanc development. At the time the company floated the short term notes, it was necessary to pay from a third to about one half more than the company ordinarily pays on borrowed money.

The principal reasons for the drop in share earnings have been the increase in depreciation charges and taxes. In 1930 when the company earned $2.65 a share, the amount set aside for depreciation totalled $800,000. Despite the drop in income, this charge was 25 per cent higher in 1934. Likewise the charge for taxes and insurance (the latter negligible) jumped from $538,256 to $658,862.

Prospects of Higher Dividends

On the basis of reported earnings for last year—$1.09 a share—and expected earnings of $1.25 a share for 1935, Shawinigan is in a position to increase the common stock dividend, now amounting to 50 cents a share. It is unlikely that the management will take such a step either this year or in 1936.

Political Situation Good

Shawinigan is not especially vulnerable to legislation or political attack. As already mentioned the greater part of its power output is sold to industrial users. The retail division has recently been thoroughly overhauled—especially as regards rates—and there is little to fear in that direction. Further the Quebec Government has recently appointed an electricity commission which is expected to be a source of strength to the privately owned utility companies which have been subjected, in certain cases, to ill-founded attacks.

As the situation now stands, Shawinigan's operating position is better than it has been for many years past. The financial position is sound. Earnings are coming back rapidly and with a continuation of industrial recovery in its territory, Shawinigan is in a position to substantially increase the earnings on its capital stock and, in turn, increase the dividend.

Rackets

Phone Orders

THE charge that stock speculators are taking advantage of certain brokers by ignoring or cancelling previous telephone orders if prices slump in the meantime, does not excite a great deal of sympathy. Even in the old days of 1928, when stock prices were zooming, most brokers were chary of accepting telephone orders to buy unless these came from regular clients who invariably settled by the next mail.

Any person who buys on the verbal advice of a stranger or who delivers goods from an ordinary retail establishment on the same assurance is certainly courting disaster.

The procedure outlined in the case of the stock buying racket is as follows:

The broker receives a telephone order to buy a certain stock. This is one of course in which there has been considerable activity or activity is expected. But if the movement results unfavorably, that is, if it goes down sharply, when the order is to buy or if it goes up when the order is to sell, then there is no cheque in the next morning's mail.

When the party who ostensibly gave the order is questioned, he denies all knowledge of the telephone conversation and the broker is left holding the bag. On the other hand, if the stock works in the way desired, then the person on the other end of the telephone is quite glad to collect his profits.

The only catch in this racket is to find a gullible broker.

It is about on a par with a similar racket occasionally inflicted on large department stores. In this case a line of goods is ordered to be delivered at a certain address and charged to an account. On investigation it is found that this account is overdrawn. But in the meantime, the goods have been collected and probably sold at a cut rate to the embarrassment of the real owner but to the enhancement of the crook.

Notwithstanding

that experience has proven failure to make a Will one of the greatest mistakes a property owner can make many neglect this duty. If you have no Will there is a possibility of trouble and loss for your heirs which you can prevent by taking proper precaution now. Consult your Lawyer and our Estates Department. He will draw your Will—we will act as Executor and Trustee.

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Archibald McPherson, *President.* T. H. Main, *Manager.*

BANK OF MONTREAL

Established 1817

A presentation, in easily understandable form, of the Bank's

ANNUAL STATEMENT

31st October, 1935

LIABILITIES

LIABILITIES TO THE PUBLIC	
Deposits	$676,944,866.06
Payable on demand and after notice.	
Notes of the Bank in Circulation	29,959,128.50
Payable on demand.	
Bills Payable	353,011.79
Time drafts issued and outstanding.	
Acceptances and Letters of Credit Outstanding . .	7,066,426.26
Financial responsibilities undertaken on behalf of customers (see off-setting amount [x] in "Resources").	
Other Liabilities to the Public	1,784,347.07
Items which do not come under the foregoing headings.	
Total Liabilities to the Public	$716,107,779.68
LIABILITIES TO THE SHAREHOLDERS	
Capital, Surplus and Undivided Profits and Reserves for Dividends	76,665,093.08
This amount represents the shareholders' interest in the Bank, over which liabilities to the public take precedence.	
Total Liabilities	$792,772,872.76

RESOURCES

To meet the foregoing Liabilities the Bank has	
Cash in its Vaults and Money on Deposit with Bank of Canada	$ 82,711,635.13
Notes of and Cheques on Other Banks . . .	27,614,596.16
Payable in cash on presentation.	
Money on Deposit with Other Banks . . .	37,764,631.60
Available on demand or at short notice.	
Government and Other Bonds and Debentures . .	361,769,848.49
Not exceeding market value. The greater portion consists of gilt-edge securities which mature at early dates.	
Stocks	103,872.95
Railway and Industrial and other stocks. Not exceeding market value.	
Call Loans outside of Canada	18,835,238.07
Secured by bonds, stocks and other negotiable securities of greater value than the loans and representing moneys quickly available with no disturbing effect on conditions in Canada.	
Call Loans in Canada	4,435,736.20
Payable on demand and secured by bonds and stocks of greater value than the loans.	
Bankers' Acceptances	139,252.54
Prime drafts accepted by other banks.	
TOTAL OF *QUICKLY* AVAILABLE RESOURCES .	$533,374,811.14
(equal to 74.48% of all Liabilities to the Public)	
Other Loans	234,461,311.20
To manufacturers, farmers, merchants and others, on conditions consistent with sound banking.	
Bank Premises	14,500,000.00
Three properties only are carried in the names of holding companies; the stock and bonds of these companies are entirely owned by the Bank and appear on the books at $1.00 in each case. All other of the Bank's premises, the value of which largely exceeds $14,500,000, appear under this heading.	
Real Estate, and Mortgages on Real Estate Sold by the Bank	1,523,432.05
Acquired in the course of the Bank's business and in process of being realized upon.	
x Customers' Liability under Acceptances and Letters of Credit	7,066,426.26
Represents liabilities of customers on account of Letters of Credit issued and Drafts accepted by the Bank for their account.	
Other Assets not included in the Foregoing . . .	1,846,892.11
Making Total Assets of	$792,772,872.76
to meet payment of Liabilities to the Public of	716,107,779.68
leaving an excess of Assets over Liabilities to the Public of	76,665,093.08

PROFIT and LOSS ACCOUNT

Profits for the year ended 31st October, 1935, after making appropriations to Contingent Reserve Fund, out of which Fund full provision for Bad and Doubtful Debts has been made . .	$4,007,302.06	
Less Dominion and Provincial Government Taxes . .	1,002,089.49	$3,005,212.57
Dividends paid or payable to Shareholders . . .		2,880,000.00
		$ 125,212.57
Balance of Profit and Loss Account, 31st October, 1934 .		1,809,820.79
Balance of Profit and Loss carried forward . . .		$1,935,033.36

CHARLES B. GORDON, *President*

W. A. BOG, JACKSON DODDS, *Joint General Managers*

* * *

The strength of a bank is determined by its history, its policy, its management and the extent of its resources. For 118 years the Bank of Montreal has been in the forefront of Canadian finance.

Efforts to Aid Jobless Workers Fall Foul of Legal Fine Points

Householder Liable if Less Than Industrial Standard Act Minimum Paid—Industrial Workers Also Affected

By JAMES BIGGAR

If a householder in Toronto, Hamilton, or Ottawa gives an unemployed man the job of painting his verandah floor or papering a room he becomes liable under Ontario Industrial Standards Act to pay for this work at the rate of seventy-five cents an hour.

If he pays less, both he and the casual worker may be summoned to court.

The householder (if convicted) is fined at least $25, or not more than $100, and in default of payment of the fine to imprisonment for a term not to exceed three months. He is also required, in such circumstances, to pay to the worker the full amount of wages then found to be unpaid under the provisions of the schedule for the class of work performed.

The man who did the painting or paperhanging might also be fined from $1 to $10, or go to jail for not more than ten days.

Definitions Not Understood

The definitions of "employee" and "employer" as set forth in the act are not generally understood by the public. They apply respectively to every citizen of Ontario who engages to do work, or hires any person to do a job, if the work to be performed is covered by any of the schedules of wages and hours under the Industrial Standards Act.

All parts of the province are not yet included, because most of the schedules are limited to certain geographical areas or "zones" as they are termed. In the case, for instance, of painters, decorators, glaziers and paperhangers, who all come under one code, the law is only in force for the Toronto, Hamilton and Ottawa zones. Each of these zones includes the cities mentioned and the surrounding district in each case for a distance of about ten miles beyond the city limits of the respective municipalities.

Zones and Codes

The plumbing trades, including steamfitting, hot water heating, and gas fitting, are covered in these three zones, and also at Port Arthur and Fort William. Carpenters come under the codes in Toronto and Ottawa. Electricians at Toronto and Windsor have schedules in effect. The plasterers of Toronto and Ottawa only are covered by the act to date.

Kills Man-A-Block Plan?

The "man-a-block" plan started several years ago with the co-operation of the service clubs, and supervised by the Toronto Public Welfare Department for three years, has had no registration office since last April when the service, as such, was discontinued. That many of the thousands of jobs provided by citizens under the man-a-block scheme included painting, carpentry work, paperhanging, plumbing, electrical work etc. is a fact which made possible this plan of providing gainful employment for thousands of men, who would otherwise have been on relief.

Abuses of the man-a-block plan by the employment of tradesmen to do work at low wages no doubt existed. On the other hand, hundreds of householders engaged unemployed men to do jobs which were not urgent, and which would not have been done at the time had the housewife or man of the house not been public spirited enough to respond to the appeals which were advertised in the street cars, on billboards and in the newspapers.

Must Toe Mark

Many of the men thus employed made permanent connections for themselves by their diligence, and are still employed to do the odd jobs around the house by those who first engaged them under the man-a-block plan. Many prominent citizens with whom this situation has been discussed during the last week have expressed amazement that the law should step in and deprive these men of work they are willing and anxious to do.

The labor codes do not interfere with such jobs as waxing floors, tending furnaces, shovelling snow, cutting grass etc., but the minute one of these handy men begins to tinker with a water tap, paint the kitchen, or repair the garage he puts himself in the category of a plumber, a painter or a carpenter. As such, he is required under the Industrial Standards Act, if doing the job in the Toronto zone, to charge his householder-employer 90 cents an hour for plumbing, 75 cents an hour for painting, or 80 cents an hour for carpentry work.

Odd-Job Ads. Illegal

Advertisements are still appearing in the newspapers under the heading "Odd Jobs." Some of these which appeared in one of the Toronto dailies last Saturday read:

"Any kind, 25c. hr. (followed by a telephone number)."

"Handyman, anything, 25c. hr. (telephone)."

A strict interpretation of the Industrial Standards Act means that these offers to do any kind of work at 25 cents an hour are illegal. It is evident that the advertisers and the publishers of the newspaper have not taken the new law into account.

The director of the former man-a-block office was Cecil Armstrong of the Public Welfare Department of Toronto. When interviewed a few days ago, Mr. Armstrong explained that it had been the policy of the man-a-block organization to refer citizens who asked for men to do painting, or other work which would ordinarily be done by skilled workers, to the Government Employment Office.

H. C. Hudson, superintendent of Employment Offices of Ontario, when interviewed by The Financial Post, stated that when a householder, in a community where schedules of the Industrial Standards Act are in force, asks for a man to do any type of work which comes under these schedules he or she is advised of the rate of wages which must be paid. If the householder is willing to pay the scale under the act the employment office supplies a man registered for the class of work involved as soon as possible.

Discussed at Meeting

At the 30th annual convention of the Canadian Council of Master Painters and Decorators held recently at Toronto, and addressed by J. F. Marsh, deputy minister of labor, the question of casual workers for householders was discussed at some length.

One of the 300 employers present at the meeting asked Mr. Marsh to explain the position of the householder who hires a journeyman painter under the act. His reply, as reported in "Paint and Varnish" was, "He is an employer. 'An employer shall mean every person who pays wages.' That means, then, that the householder would be obligated to pay a certain schedule of wages."

Householder vs. Contractor

A householder who has work to be done which includes rough carpentry, or other types of work which do not require expert workmen, can get it done for less money in many instances by employing a contractor to do the job, than by giving the work to a handy man. The contractor may employ common laborers in the building trades, or apprentices along with his journeymen at much lower wages than are payable to skilled tradesmen. The schedules in the building trades allow the contractor to employ apprentices as governed by the Ontario Apprenticeship Act. There are separate schedules for the common laborers in the building industry, and for plasterers' laborers, which of course provide a lower scale of wages than the schedules for carpenters, painters, or plasterers.

Verified by Builders

This deduction as to the actual working out of the act is verified by builders who have been interviewed. It is also supported by further statements by Deputy Minister of Labor Marsh in answer to the questions asked at the convention of master painters and decorators.

At this meeting Mr. Marsh was asked what the position of the householder would be if he offered work to a man with a paint brush at 45 cents an hour, instead of 75 cents, even though the master painters would not employ the man as a journeyman painter.

Parallel Case

In reply Mr. Marsh cited what he regarded as a parallel case in the carpentry trade. Some years ago contractors had been in the habit of hiring a so-called helper, furnishing him with tools, and having him work alongside a journeyman. The carpenters' union had obtained rulings from the labor department at Ottawa that any man who was using the tools of a carpenter must be classified and paid as such. Mr. Marsh then added, "I think I could make the same ruling as far as the painter is concerned."

"Then once he applies the paint with a brush he becomes a painter, good or bad?" remarked Mr. Marsh's interrogator, and continuing said, "Being interested in the apprenticeship system I would agree that the lady who would hire that fellow would think she is getting a painter."

The reply which Mr. Marsh is reported to have given to this observation is significant. He is quoted as follows: "Well, if she wants that job done she can pay the wages."

Industrial Maintenance Work

Closely related to the subject of repair jobs done for householders by workmen whose trades come under the codes is the subject of maintenance work in public buildings, factories, etc. This does not come under the act if the Minister of Labor rules that work done by maintenance men, such as painting, carpentry, plumbing, electrical, etc. conforms to what he considers to be maintenance work.

On this point the deputy minister of labor is quoted as saying that an employee of a large hotel who was continuously employed as a painter would be considered a maintenance man, but if the hotel management were going to paint 200 or 300 rooms, and hired 30 or 40 additional painters for two or three weeks then he believed the minister would rule that these additional men were not maintenance employees.

Delay in Rulings

As a result of the uncertainty as to interpretation on this point a number of large firms have applied to Queen's Park for rulings, and the difficulties and delays which they have experienced in getting such rulings have occasioned what would seem to be needless annoyance and expense.

The minimum wage board which is charged with enforcement of the act is the body to which specific cases on maintenance work are referred. The Industrial Standards Act does not cover this point. Under the head of interpretation, in the preamble, the act defines an employee, and an employer, but no definition is given for "maintenance employee."

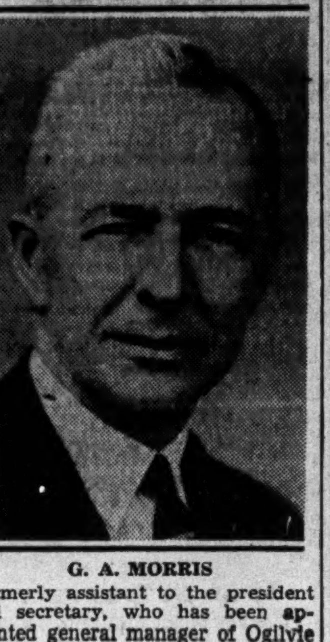
Employers individually and through a number of their associations have conferred with the administrative officers and have been advised that an employer engaging temporary help for work of a type covered by any of the schedules of the act in force within their districts or zones is regarded as a contractor and is required to pay the scale of wages stipulated in such schedules. However, they have been told that the act does not apply to regular employees engaged on repair, alteration, servicing and upkeep of plant and equipment essential for the operation of their factories.

Much Work "Scotched"

The Toronto Kiwanis Club planned to have the caretaker of their "K Club" for boys do some painting of their premises during his spare time last summer, but some of the members of the club who are master painters pointed out the danger of infringement of the provisions of the act, and so the work was not done.

There was also the case of a caretaker of a synagogue who was set upon by men, who styled themselves union painters, because he was doing some painting of the building at less than the scale provided under the code. This case was also referred to editorially by one of the Toronto papers.

Ogilvie Flour Executive



G. A. MORRIS

Formerly assistant to the president and secretary, who has been appointed general manager of Ogilvie Flour Mills.

Winnipeg Electric Financial Fate Hangs On December Votes

Last Shareholders' Meetings Called to Pass on Reorganization

WILL CITY BUY?

Possible Offer of $32 Millions Discussed — Company Says $55 Millions — Manitoba Power's Contract

Preferred shareholders of Winnipeg Electric Company are being told by the company that a refusal of the plan of reorganization at their meeting on December 3 at Winnipeg, will be disastrous to themselves. That goes as well for the general meeting of preferred and common shareholders on December 23.

In the latest issue of "Public Service News" issued by the publicity department of Winnipeg Electric Co., preferred shareholders are told that bondholders have agreed to take lower interest on their bonds, representing a net reduction of about $9 millions from what they are legally entitled to. That is as far as bondholders can be expected to go, "Public Service News" states. Refusal of the plan would mean that Winnipeg Electric would be placed in receivership through enforcement of its guarantees of subsidiary bonds. The result of that would be that the preferred and common shareholders would be put out in the cold.

Four Points Set Out

The following four points are set forth by the company in support of its view that the parent company and its subsidiaries have a common interest in working together under the plan submitted as one company in the future:

(a) Winnipeg Electric Co. depends largely on Manitoba Power Co. for electricity, having insufficient power of its own to serve its customers.

(b) Manitoba Power Co. depends mainly on Winnipeg Electric Co., to buy its power, because Manitoba Power has no retail distribution system in Greater Winnipeg. This distribution system is owned by Winnipeg Electric.

(c) Northwestern Power Co. also depends on Winnipeg Electric Co. to buy its power as it has no distribution system in Greater Winnipeg.

(d) Suburban Rapid Transit Co., and Winnipeg, Selkirk and Lake Winnipeg Railway Co. depend on Winnipeg Electric Co. for co-ordinated street railway operation and the supply of electricity for their commercial and domestic customers in the suburban areas.

Question of having the city of Winnipeg offer $32 millions for Winnipeg Electric Co. and subsidiaries has been revived by the City's transportation committee though early in 1935 Edward Anderson, K.C., president of Winnipeg Electric Co. had made a counter offer of $55 millions. Winnipeg accountants figured out assets of the combined companies at $32 millions by excluding the Manitoba Power contract which comes to an end in 1937 and by making allowance for the fact that employees under a purchase plan would be raised to city's wage scale and put under the city's pension scheme.

The present utility debt of Winnipeg is $50 millions and acceptance of such a proposal would raise the debt to $82 millions. The gross debt would then be $116 millions, or $525 per capita, which would be the largest in Canada. There is therefore a good deal of opposition on the city council and in the city to this offer being made.

'Peg Electric Calls On Shareholders

Only the consent of shareholders of interested companies remains to be secured for the plan of reorganization of Winnipeg Electric Co. and subsidiaries. The bondholders have expressed their approval.

Meetings have been called for shareholders as follows:

Winnipeg Electric preferred shareholders on December 3, to be followed on December 23 by a general meeting for preferred and common shareholders;

Northwestern Power Co. common shareholders on December 18; and

Manitoba Power common shareholders on December 18.

The meetings of shareholders of subsidiaries are unimportant because the parent company controls and the result is certain. Most interest attaches to Winnipeg Electric preferred shareholders' meeting.

REGENT KNITTING SALES INCREASE IN HALF YEAR

Moderate Gain in Financial Returns Now Looked For in 1935

From Our Own Correspondent

MONTREAL. — Regent Knitting Mills sales in the past few months have shown an expansion sufficient to wipe out the 12 per cent reduction experienced in the first half of the year. Sales in October reached the highest level since pre-war days.

While recent comparatively mild weather slowed up the movement of knit goods, it is anticipated that the results for 1935 will compare satisfactorily with those for the preceding twelve months. Net profit is expected to be slightly higher; bank loans showed a moderate reduction; and an improvement in net working capital position. The usual reduction will be shown in funded debt.

Last year Regent Knit reported net earnings from operations of $194,036. This was in contrast to $157,904 in 1933. Bond interest was covered 6.67 times before depreciation and 2.66 times after depreciation. The balance available on the capital stock was equivalent to $1.80 a share on the preferred; the first time earnings have been reported on this stock since 1928.

As at the end of 1934, the balance sheet of Regent Knit showed current assets of $888,656 and current liabilities of $329,559, leaving a net working capital of $559,097. Among the liabilities were bank loans of $177,500, the lowest reported in any of the past six years. In addition there was $35,157 of notes and bills payable.

Riordon Pulp and Paper Calls Sinking Fund Bonds

From Our Own Correspondent

MONTREAL.—Riordon Pulp and Paper Co., a subsidiary of Canadian Industrial Paper Co., has called $74,000 of its six per cent first mortgage debentures on account of sinking fund. Payment will be made on December 31, with a premium of five per cent on principal.

Executive Officer

G. W. GEDDES

General manager of the Northern Life Assurance Co., who was elected second vice-president of the Canadian Life Insurance Officers Association at its annual meeting last week.

PRINTING

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Victor A. Sinclair, K.C.

Formerly Chairman, Workmen's Compensation Board, Ontario.

Special attention Workmen's Compensation, Social Insurance, Life Insurance, Corporations and Commercial Law.

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1935 Dividend Payments 14.6% Above 1934 Total

December Dividends Amount to $57.5 Millions, the Highest Monthly Total in Several Years—Bonuses Swell Total

Dividend payments by Canadian companies in 1935 will be higher than in any year since 1931, a compilation by The Financial Post shows. Disbursements, it is estimated, will total $213 millions as compared with $185 millions in 1934. This represents an increase of 14.6 per cent. Dividend distributions in 1931 totalled $226 millions.

Payments in December will be the highest for any month in 1935 and for any month in several years past. Disbursements for the month will total $57.5 millions, a gain of 35.1 per cent over the corresponding month of 1934 and 150 per cent over December, 1933.

The most marked monthly increase is shown by the December declarations, reflecting an increase in year-end payments and the declaration of extras by a number of companies. Bonus disbursements of 50 cents a share are to be made by Canada Malting, International Petroleum and Lake Shore Mines. Other extras are being paid by Imperial Oil 37½ cents, International Mining five cents, Hollinger Consolidated five cents and Royalite Oil 25 cents.

Arrears Are Met

The total has also been raised by payments on arrears. Acadia sugar is to pay 7½ cents on arrears of preferred dividends and Melchers Distilleries has declared 50 cents on its Class A shares. Preferred dividends are to be resumed by Lake of the Woods Milling Co. with a $1.75 payment on Dec. 16. The last payment made on Lake of the Woods preferred was in September, 1931.

McWatters Gold Mines pays five cents a share, its initial dividend, in December. A capital distribution of $5 a share is to be made by Granby Consolidated Mining, Smelting and Power Co.

Of the total disbursements for the year mining companies account for over $57 millions, or 26 per cent. This is an increase of $8 millions over the 1934 total for mining companies.

Monthly dividend totals for the past three years are as follows:

Monthly Totals

	1935 $	1934 $	1933 $
January	14,785,266	14,416,545	13,854,450
February	3,495,904	3,783,396	3,335,428
March	9,440,340	17,267,509	16,764,000
April	14,621,079	12,265,579	11,602,414
May	4,025,448	4,793,184	2,931,000
June	55,291,661	41,938,738	17,497,407
July	18,679,493	16,422,866	12,672,273
August	4,361,816	4,463,924	3,260,000
Sept.	12,315,185	9,731,678	14,271,323
October	14,800,721	13,849,280	11,807,000
Nov.	3,601,369	4,188,056	3,656,148
Dec.	57,596,351	42,638,981	23,037,916
Total	213,014,633	185,759,736	134,679,359

Bond Interest Payments

Bond interest payments in December will total $32.6 millions, an increase of $5 millions over the same month of 1934. Total bond interest and dividend payments will amount to $90 millions. The latter represents a gain of $20 millions.

Summary of December Payments

	1935 $	1934 $
Dividends	57,596,351	42,638,981
Bond interest	32,601,617	27,717,063
Total	90,197,968	70,356,044

Dividend Payments

Company	Rate $	Date	Amount $
Acadia Sugar, pf.	.07½	2	22,500
Do., arrears	.07½	2	22,500
Acme Glove, pref.	$1½q	14	7,284
Andian National	1s	2	2,550,000
Do., extra	1	2	2,550,000
Anglo-Huronian	.20	2	250,521
Bk. Can. Nationale	2q	2	140,000
Bk. of Montreal	2q	2	720,000
Bk. of Toronto	2.50q	2	150,000
Biltmore Hats, pfd.	1.75q	14	4,070
Bright, T. G.	.07½q	15	7,500
Do., pref.	1.50q	15	11,857
Bulolo Gold Dr.	▲1.40	10	1,309,000
Bunker Hill & Sull.	.50	2	163,500
Canada Bud	.20	20	30,000
Can. & Dom. Sug. c.	.37½q	1	187,506
Canada Malting	.37½q	15	74,614
Do., extra	.50	15	99,486
Canada Vinegars	.40q	2	36,800
Can. Bk. of Comm.	2q	2	600,000
Can. Hyd.-Elec.	1.50q	2	187,500
Can. W. Nat. Gas, p.	1.50q	2	46,102
Cons. Div. Std. Sec., pfd.▲	.25s	15	12,729
Corr. Paper Box, pf.	1.75q	1	13,710
Dom. Scott. Invest., pfd.	.25	1	14,925
Falconbridge Nickel	.07½	21	249,131
Granby Cons.	*5	2	2,250,005
Ham. Un. Theat., pf.	$1	31	7,879
Hollinger Cons.	.05	2	246,000
Do., extra	.05	2	246,000
Howey Gold	.02	14	100,000
Hudson Bay Min.	.50	16	1,326,963
Imperial Oil	.25s	2	6,729,967
Do., extra	.37½	2	10,094,951
Inter. Mining	.15	20	60,000
Do., extra	.05	20	20,000
Inter. Nickel, c.	.25q	31	3,646,006
Inter. Petroleum	.75s	2	10,743,066
Do., extra	.50	2	7,162,044
Do., pref.	.75s	2	150,000
Do., extra	.50	2	100,000
Lake Shore Mines	.50q	16	1,000,000
Do., extra	.50	16	1,000,000
Lake of Woods Mill, pf.	•1.75	16	26,250
Laura Secord	.75q	2	43,125
Loblaw A & B	.25q	2	207,657
Louisiana Land, c.	†.10	16	300,000
McColl-Fron., c.	.20q	14	110,000
McIntyre-Porc.	.50q	2	399,00
McKinley Mines	.02½	2	28,096
McLennan, McFeeley, A	.10q	30	5,951
Do., B	.10q	30	5,684
McWatters, G. M.	†.05	18	94,275
Melchers, A	•.50	15	50,000
Montreal Cottons, pf.	1.75q	15	52,500
N. S. Light & P. p.	1.50q	2	18,750
New Meth. Ldy., p.	1.62½q	1	4,062
Ogilvie Flour, pf.	1.75q	2	35,000
Provincial Bank	1.50q	1	60,000
Reliance Grain, pf.	1.62½q	14	32,500
Rolland Paper, pf.	1.50q	2	22,500
Rosedale G. Mines	1%	1	12,500
Royal Bank	2q	2	700,000
Royalite Oil	.50	2	342,473
Do., extra	.25	2	171,236
Siscoe Gold	.05	16	230,503
Std. Silver & Lead	.01	20	20,000
Sylvanite Gold	.05q	31	164,975
Walker-H. pref.	.25q	16	115,204
Total			57,596,351

†Initial. •On arrears.
*Capital distribution.
▲For year ending May 31, 1936.
q—Quarterly.
s—Semi-annually.

BOND INTEREST DUE IN DECEMBER

Company	Rate	Date	Due	Amount $
Alta. Pac. Grain	6	1	1946	80,340
Barcelona Tr. 1st mtge.	5½	1	1974	224,477
Do., prior lien	6½		1965	470,544
Do.,	6	1	1972	183,108
Bawlf Terml., B	6	1	1942	6,150
Bell Tele. B	5	1	1957	750,000
B. C. Tele. A	5	1	1960	250,000
Canada Paper A	6	4	1945	40,755
C.N.R. (Govt. gte.)	4½	15	1955	1,187,500
Can. Nor. Rly. 1st mtge.	4	1	1939	160,600
Do., Alta., gtd.	4	1	1939	111,732
Do., gold deb.	*7	1	1940	832,265
Can. N. West. Rly.	4½	1	1942	144,540
C.P.R. Trust (gold)	5	1	1954	750,000
C.P.R. Note Cert.	4½	15	1944	468,870
Cons. Press	6½	1	1949	16,458
Consumers' Glass	*5	1	1948	29,062
Cawthra Apts. 1st mtge.	6	1	1947	6,375
400 Avenue Rd.	7	1	1946	9,303
For. Pr. Secs. A	6	1	1949	105,780
Gatineau Power	5	1	1956	1,739,762
Do., S.F. debs.	6	15	1941	303,375
Godfrey Realty	*6	1	1942	21,014
H. Smith Paper A	5½	1	1953	184,580
Ind. Accept. A	6	1	1940	27,270
Inv. Bond & Sh. A	5	1	1947	49,437
Lon. Can. Inv. A	4½	1	1943	86,838
Maple L. Mill	5½	1	1949	127,063
McNish deb. stk.	6	1	1948	61,587
Mex. L. & P. 2nd mtge.	5	1	1968	318,217
Northwest Utilities	7	1	1949	78,088
Montreal Coke A	*5½	1	1947	100,347
Montreal Apts.	7	1	1938	21,542
Mt. Royal Hotel	5½	1	1947	97,900
Matapedia Val. L.	▲6½	1	1944	8,674
N. Que. Pr. A	6	1	1945	79,500
N. S. Light & Pr.	5	1	1958	105,625
Power Corp. A	5	1	1957	49,232
Quebec Power	5	1	1968	199,687
Richmond Bay	6½		1947	26,318
Ritz Carlton Hotel	5	1	1942	16,187
Riverside Iron	7	1	1947	6,300
Rolland Paper A	5½	1	1948	61,847
Shaw, Cotton	6	1	1949	21,435
St. Maur. Val. Cot.	6	1	1952	51,783
Standard Clay	6	2	1942	13,737
Twin C. R. 1st	5½	1	1952	490,902
Wabasso Cotton	6	1	1947	22,455
Windsor Arms	6½	1	1947	11,056
Corporation bonds				10,209,617
Municipal bonds				•6,733,000
Provincial bonds				•5,925,000
Dominion loans				•9,734,000
Total				32,601,617

*Called for redemption Dec. 1, 1935; ▲Feb. 3, 1936; •Estimated.

*Installment coupon No. E; a payment of 1½ per cent plus interest at the rate of 6 per cent on the deferred interest.

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IMPERIAL BANK OF CANADA

61st ANNUAL STATEMENT

Year Ending October 31st, 1935

Profit and Loss Account

Balance 31st October, 1934		$ 595,775.18
Net profits for the year ended 31st October, 1935, after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made and after deducting Provincial Taxes amounting to $91,619.28		1,208,079.49
		$1,803,854.67
Dividends at the rate of 10% per annum	$ 700,000.00	
Contribution to Officers' Guarantee Fund	7,500.00	
Contribution to Officers' Pension Fund	40,000.00	
Written off Bank Premises	250,000.00	
Dominion Government Taxes, including tax paid on circulation, and reserve for Income Tax	199,112.51	
Balance of Account carried forward	607,242.16	
		$1,803,854.67

BALANCE SHEET

Liabilities

Notes in Circulation		$ 6,689,770.00
Deposits by and balances due to Dominion Government	$ 862,116.15	
Deposits by and balances due to Provincial Governments	2,799,195.18	
Deposits by the public not bearing interest	22,339,591.25	
Deposits by the public bearing interest, including interest accrued to date of Statement	88,673,698.87	
		114,674,601.45
Deposits by and balances due to other Chartered Banks in Canada	$ 1,718,312.44	
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	1,988,001.19	
		3,706,313.63
		$125,070,685.08
Acceptances and Letters of Credit Outstanding		1,551,931.50
Capital Paid Up	$7,000,000.00	
Reserve Fund	8,000,000.00	
Dividends declared and unpaid	176,019.32	
Balance of Profits as per Profit and Loss Account	607,242.16	
		15,783,261.48
		$142,405,878 06

Assets

Gold held in Canada	$ 417.09	
Subsidiary Coin held in Canada	378,182.38	
Notes of Bank of Canada	4,264,915.00	
Deposits with Bank of Canada	7,066,631.04	
Notes of other Chartered Banks	296,730.00	
Government and Bank Notes other than Canadian	57,467.72	
		$ 12,064,343.23
Deposit with the Minister of Finance for the security of note circulation		470,424.81
Cheques on other Banks		6,063,285.47
Deposits with and balances due by other Chartered Banks in Canada		613,018.71
Due by Banks and Banking Correspondents elsewhere than in Canada		2,563,154.80
		$ 21,774,227.02
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	$ 1,280,378.45	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value	28,117,493.27	
Canadian Municipal Securities, not exceeding market value	4,907,569.34	
Other Bonds, Debentures and Stocks, not exceeding market value	126,584.04	
		34,432,025.10
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	$ 5,534,229.84	
Loans to Provincial Governments	5,712,458.74	
Loans to Cities, Towns, Municipalities and School Districts	5,639,163.57	
		16,885,852.15
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for		60,640,424.26
Non-current Loans, estimated loss provided for		265,501.19
Real Estate other than Bank Premises		283,764.46
Mortgages on Real Estate sold by the Bank		419,450.89
Bank Premises, at not more than cost, less amounts, if any, written off		6,000,000.00
Liabilities of Customers under Acceptances and Letters of Credit as per contra		1,551,931.50
Other Assets not included under the foregoing heads		152,701.49
		$142,405,878.06

FRANK A. ROLPH,
President.

A. E. PHIPPS,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS.

We report to the Shareholders of the Imperial Bank of Canada:—

That we have examined the above Balance Sheet as at 31st October, 1935, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank, and is as shown by the books of the Bank.

The above Balance Sheet does not include money which has been set aside by the Shareholders from time to time for the purpose of a Pension Fund.

A. B. SHEPHERD, F.C.A.
of Peat, Marwick, Mitchell & Co.
D. McK. McCLELLAND, F.C.A.
of Price, Waterhouse & Co.

Toronto, 19th November, 1935.

THE FINANCIAL POST

SECOND SECTION

Vol. XXIX Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, NOVEMBER 30, 1935 10c a Copy; $5.00 a Year No. 48

Investments In Farm Implements

Slicing of Tariff on U.S. Agricultural Machinery Not Helpful, but Recovery of Farm Buying Power Would Be More Important to Securities

By W. A. McKAGUE

The reduction in rate of duty on imports of farm implements from the United States to Canada from 25 to 12½ per cent in the new trade agreement is one of the most important items applicable to a major Canadian industry.

It represents a change from a Conservative objective to promote manufacturing to a Liberal desire to emphasize primary production. It raises the question, "Will the farm implement industry profit most from its customers being helped or from aid extended direct to itself?"

In finding the answer at least a modified degree of comfort can be gleaned from studying statistics of the last low tariff period from 1924 to 1929 inclusive. It shows imports growing, it is true, but it also shows output of Canadian companies taking a leap. How far does the experience of those days apply to the special circumstances of today?

From High to Low

Under the Nationalist policy established by the government of Sir John A. MacDonald, soon after Confederation, the industry was favored with high duties on imports. In 1883 the rate was 35 per cent. Because probably of the difficulties experienced by agriculture in the long decline of prices until about 1896, a succession of cuts followed.

In 1924 the duties ranged from 10 per cent to 15 per cent. The Liberal government of that time went farther, however, and reduced the maximum rate to 10 per cent, with rates of 6 per cent and 7½ per cent on certain lines, and free import of a few machines or parts. That was the low point.

The Bennett government raised the protection under the general tariff rates to 25 per cent, at which it has remained. The general tariff rates are applicable to imports from the United States. Though British preferential rates have been lower than 25 per cent they have relatively little effect on the Canadian situation.

Not Extreme Low

The King tariff will therefore be neither an extreme high nor an extreme low, but rather a compromise which should, if anything, be more favorable to the companies than were the rates which prevailed from 1924 to 1930.

The record of the industry over the past fourteen years shows some relation to the tariff, but not as close as might at first be supposed. The record rather brings out the industry's dependence upon agricultural prosperity. In a brief presented early in 1924, in opposition to the tariff cuts then proposed, the implement makers emphasized this relation. It has become even more apparent since then.

Production for sale in Canada, after a decline in 1925, was relatively high from 1926 to 1930, which period was one of fair prosperity in Canadian agriculture. Exports had a broad growth from 1922 to 1929, because in the buying markets there also was a measure of agricultural prosperity. The loss in export business to 1933 was abrupt.

During the pre-depression period of low tariff, of course, one feature was the high import volume from 1925 to 1930. It amounted in some of these years to more than the domestic business of the Canadian manufacturers. It seems fair to conclude, however, that the great volume of business in those years not only swelled imports, but at the same time maintained Canadian production in large volume. Conditions in the export market naturally were beyond Canadian control, but the Canadian implement makers were at least able to take advantage of those conditions.

The depression years, similarly, had an adverse effect on every phase of the industry, while the broad results of the partial restoration of farm buying power since 1933 are equally apparent.

For the industry as a whole the high record in value of output was $43 millions in 1927, and the low was $5.3 millions in 1933. These wide fluctuations are naturally reflected in the main outlays for raw materials and for labor.

Volume Aids Profits

It should be borne in mind that, in addition to materials and labor, there are other definite and important production costs, such as taxes, workmen's compensation, sales expense, etc. In the years of high volume, the margin available for these expenses and for profits was wide, reaching a maximum of $10.4 millions in 1927, and averaging over $7 millions a year for the 1924-30 period. In 1933, on the other hand, it was reduced to the nominal sum of $63,884, which obviously meant a heavy operating loss. Preliminary figures of the Dominion Bureau of Statistics showed a margin of over $1 million for 1934 and the results for 1935 on the basis of estimated volume of business should be further improved.

The statistics show volume of business as the preponderating influence on profits and the tariff significant mainly as it affects volume.

Have Kept Credit Good

The strongest argument of the farm implement industry for consideration is that the farmers gain direct and indirect benefits from its existence. The industry depends absolutely on prosperity on the farm but the banks and farm implement industry together render services that aid that prosperity. No investor can understand the situation if he leaves out the fact that in the days before 1930 the banks lent liberally to the industry and it is inconceivable that there can be great progress in the future without the same assistance.

The bankers lend on the solvency and reliability of the companies, the companies extend credit on the solvency and reliability of individual farmers; and the latter rely on market demand and prices remaining stable or advancing. Hit one and all are jarred. The cataclysm of late 1929 which hit the wheat markets then came down in an avalanche on the farmer. It went further and brought the farm machinery companies from the height of affluence to danger of dire poverty. It would have hurt the banks seriously if the companies had not stemmed the tide. They kept their credit good despite heavy losses and a perpendicular drop in sales. That means the banks will be willing to help again when farmers are expanding production, experiencing good prices and eager for the most modern mechanical aids.

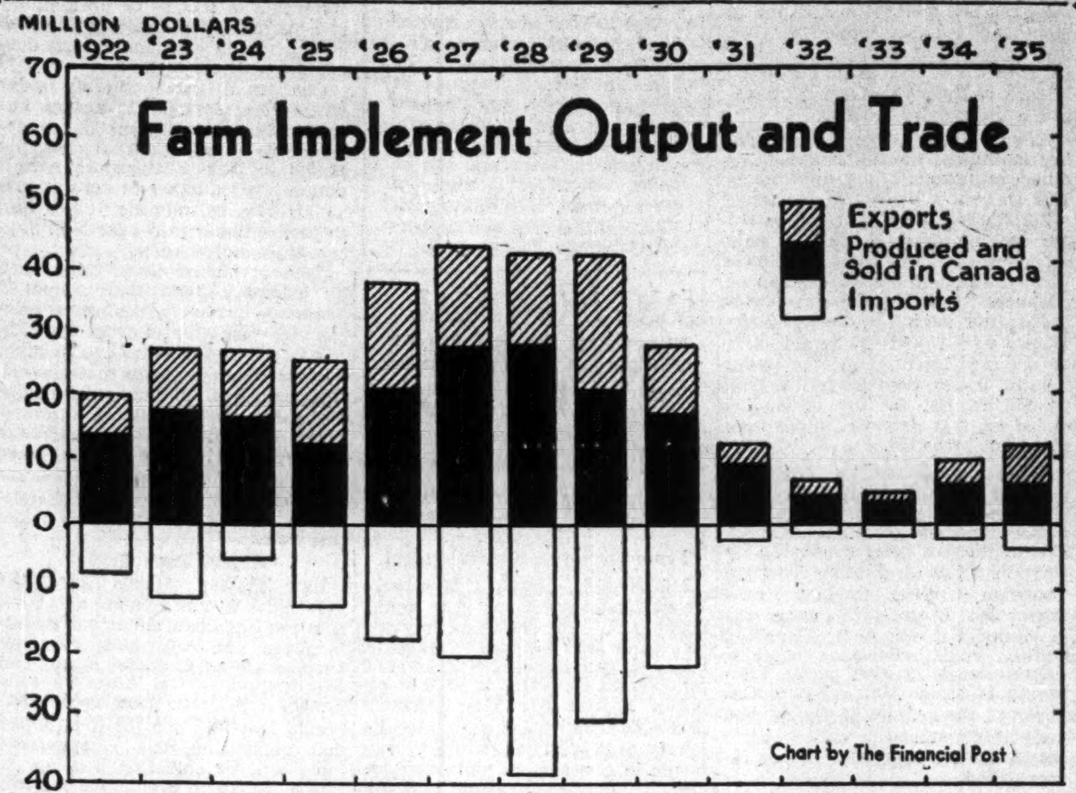
It is probable that the farmer has not changed his mind since 1929 as to mechanization of the farm being both desirable and inevitable. All he needs is cash and credit. The westerner prior to 1930 saw in the tractor and combine-harvesters the answer to his yearly anxiety that there might not be adequate labor to help him harvest. The eastern farmer was quick as well to feel the lure of new power machinery designed to save drudgery and speed work.

Awaiting Wheat Scarcity

When European buyers and millers are no longer able by reason of large wheat surpluses to play off one set of producers against another, the old trend will re-assert itself.

How far has the industry gone in solving depression problems and how far has it still to go? Those problems were: few customers, more machinery and implements built in good times than bad times could absorb, and huge totals of implements sold on time. But for exercising wise lenience and forbearance with respect to terms of payment, the companies could not have avoided repossessing immense quantities of equipment already sold. Even at that they had to take back thousands of units.

The stock market indicates that investors think reciprocity will help these companies even though their protection was cut in half. The reasoning is simple: 1st, the losses of these companies came about because farmers lost their profitable markets; 2nd, if reciprocity increases markets and profits for farmers, the latter will buy more machinery and implements and pay more of their old bills.

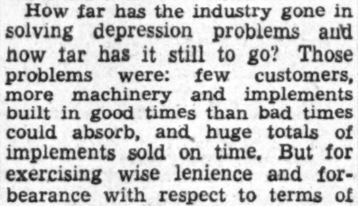


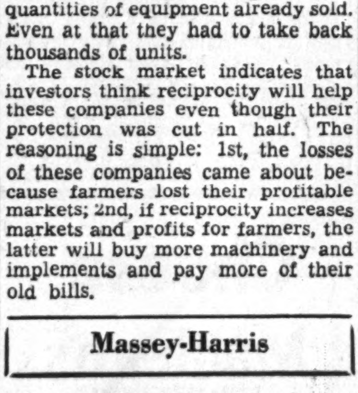
Only in four years since 1921, this chart shows, have Canadian implement companies sold less to Canadian farmers than have foreign implement companies. Those four years were years of heavy output and low tariff. In those years the Canadian companies made up the disparity by larger foreign sales themselves. In the future there will be more emphasis on replacing imports.

Massey-Harris

Massey-Harris Co. as the largest Canadian company exemplifies in its record, losses, attempts at comeback, and in the hopes and fears of its officers exactly what has happened to the industry at large.

Executives, new directors and shareholders back in 1928 must have felt that the company was on top of the world. It had recovered from the losses of the sharp depression following the post-war inflation. It established a plant in Germany in 1928 and extended its plant at Marquette, France. Its sales and inventories and accounts receivable mounted to new highs. It was expanding with world agriculture and nobody seemed to know that it had expanded far too much. When one collapsed the other came down with it.





T. A. Russell, president, recognizes that a wider market for produce of the farm will be good for all business including the farm implement business, but he thinks the reduction by half of protection on farm implements will open the door as well to foreign competition. He points out that high tariffs, importation quotas, burdensome exchange regulations of foreign countries have taken away the large foreign market which Massey-Harris once had. Roumania once took from the company more than the company now ships to all Europe. Currency depreciation and high tariffs reduced exports to Australia by 95 per cent.

Factories were built in Germany, France and Australia to cope with the situation. The ultimate fate of these subsidiaries is obscure. They have been cast out on their own resources to sink or swim. If any of them sink it should not harm the parent company but it would lose contact or hope of profit from the particular market served by the sinking company. If any subsidiaries make profits—as some of them are likely to do in favorable times—then there would be extra profits for the company.

For the time being, however, investors must depend as the company does in recovering sufficient business in the home and United States markets to make up for loss of the foreign.

Does A Real Job

The company had a real job when the depression came. Its chief assets were its greatest problems. It had perforce to become a collection agency, to concentrate on sales and to reduce production to a low level. It had more than $11 millions in funded debt to service and more than $11 millions in bank debt and accounts payable to take care of. Its current assets, so imposing a year earlier, still looked good on paper and the officers had to find out over a term of years what they were really worth in coin of the realm. But they were never in doubt about their liabilities. The bank loans and bonds were real live debts.

The following table of working capital in 1929 and 1934 will show that on the whole farmers are good pay even under difficult circumstances and that stewardship of a high order must have been exercised to liquidate such a compromising situation without bankruptcy:

Working Capital Changes

	Nov. 30, 1929	Nov. 30, 1934
	$	$
Current assets:		
Cash	76,649	735,668
Receivables	22,810,950	11,565,394
S. American bonds	......	442,084
Inventories	31,814,545	8,797,080
	54,702,144	21,539,626
Current liabilities:		
Bank loans sec.	†5,604,951	......
Payables	Inc. above	928,240
Other items	395,411	792,501
	6,000,362	1,720,741
Working capital	48,701,782	19,818,885

†Increased to $11.5 millions in 1930 including payables.

Has New Products

The reduction by half of accounts receivable does not include accrued interest on overdue accounts. The figures are after making reserves exceeding $4 millions in 1934 on overdue accounts as well. In accrued interest and accounts written off a gift of as much as $7.5 millions was perforce given to the farming population of Canada. The value of inventories are also after deducting more than $3 millions reserves.

Resumed Manufacture

The company has resumed large-scale operations. Its research work during depression years to develop new machines to meet keener demand for low prices and cheap operation and general utility was very successful. Many kinds of inventory have now to be maintained with new production. With respect to these the company is once again an active manufacturer and no longer simply a salesman of inventory.

That is a fortunate thing for it now that a lower tariff promises to let in more foreign machinery. Farmers will undoubtedly shop around whenever they buy implements. Massey-Harris is ready for such inspection. It is the most important element of all for the investor to consider when trying to determine long-term prospects.

Funded Debt Needs Attention

On the $8.7 millions 20-year sinking fund 5's interest payments were maintained through the depression but sinking fund requirements subsequent to April 15, 1933, have not been paid. Interest was not earned during the depression but losses have been progressively smaller since 1933. In the recovery period the company will need large liquid capital to hold its end up. Experience under new conditions will determine whether or not reorganization of capital my be necessary to enable it to compete more effectively. Less onerous sinking fund conditions would be one item in such a reorganization, it is obvious. The company may have improved its situation in 1935 but it is 1936 manufacturing, selling and collecting which will best indicate its position and prospects.

The company in 1928 also assumed the outstanding issue of $1 million of J. I. Case Plow Works, Inc. due 1940 and has redeemed all but $436,900. Their position seems secure.

Preferred Arrears Growing

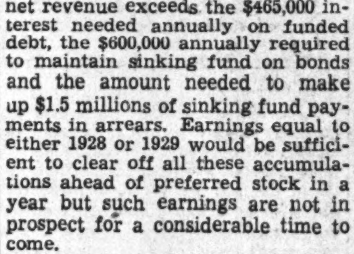
The company cannot afford under these conditions to sacrifice liquid capital to maintain sinking fund and to pay arrears on preferred. The treaty with the United States makes it more necessary than at any time this century for the company to keep its funds in fighting condition. They are that way now but to keep them that way shareholders might conceivably be asked to cancel arrears on sinking fund and to accept less in future than $600,000 a year. Preferred shareholders might be asked to take a non-cumulative stock and to accept more stock to cancel preferred arrears. Common stockholders might be asked to accept fewer shares to adjust these changes on the balance sheet.

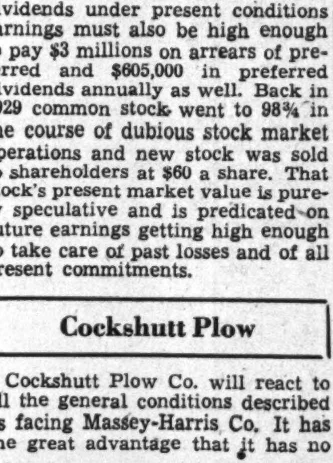
The issue of $12.1 millions 5 per cent cumulative convertible preferred stock is now in arrears $25 a share. If there is no capital reorganization, no arrears can be paid until net revenue exceeds the $465,000 interest needed annually on funded debt, the $600,000 annually required to maintain sinking fund on bonds and the amount needed to make up $1.5 millions of sinking fund payments in arrears. Earnings equal to either 1928 or 1929 would be sufficient to clear off all these accumulations ahead of preferred stock in a year but such earnings are not in prospect for a considerable time to come.

Before owners of 729,409 no par value common shares could have dividends under present conditions earnings must also be high enough to pay $3 millions on arrears of preferred and $605,000 in preferred dividends annually as well. Back in 1929 common stock went to 98¾ in the course of dubious stock market operations and new stock was sold to shareholders at $60 a share. That stock's present market value is purely speculative and is predicated on future earnings getting high enough to take care of past losses and of all present commitments.

Cockshutt Plow

Cockshutt Plow Co. will react to all the general conditions described as facing Massey-Harris Co. It has the great advantage that it has no funded indebtedness and no preferred stock ahead of the common stock. It did have a secured bank loan outstanding of nearly $1.5 millions on November 30, 1934. It has not paid dividends since early in 1931 and nothing has been earned on it since 1930 though the report for 1935 is expected to show an important sales advance.





There are 300,678 no par value common shares outstanding. To pay $1 a share the company needs about $1 million operating profit instead of the loss of $182,933 last year. It would need about $800,000 if losses on accounts drop to normal. In other words, like Massey-Harris, it needs profits like those of 1928 and 1929 but there are no large blocks of arrears in interest and dividends to clear away by capital reorganization or otherwise. It could take quicker advantage of recovery than other companies with large funded indebtedness.

The following table shows the progress made by Cockshutt Plow Co. in disposal of inventory. Bank loans have changed very little in the last few years. They are more easily managed because, unlike Massey-Harris' loans, they were borrowed during the depression and are secured by assets which seemed good to banks even in the depression. Its products have always had an excellent Canadian following.

Working Capital Changes

	Nov. 30, 1929	Nov. 30, 1934
	$	$
Current assets:		
Cash	112,223	75,092
Receivables	2,859,112	3,366,181
Inventories	4,164,058	2,296,143
	7,135,393	5,737,416
Current liabilities:		
Bank loans sec.	......	1,449,000
Payables	731,622	190,341
	731,622	1,639,341
Working capital	6,403,771	4,098,075

Waterloo Manufacturing

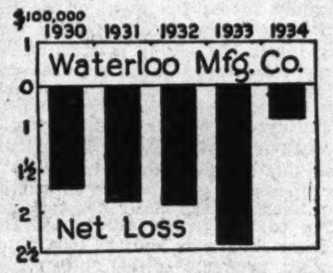
Waterloo Manufacturing Co. has outstanding 81,840 Class A shares and 27,500 Class B shares, both being of no par value. There is no funded indebtedness but there is a large bank loan. To pay $1 a share would require net profits equal to those of 1928 and 1929 but before paying the company would first have to build up working capital to a much stronger position as the following table will show:

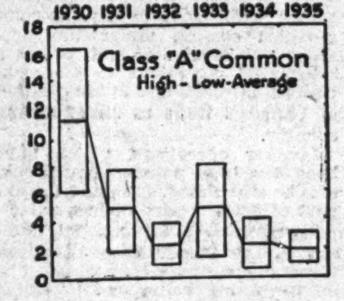
Working Capital Changes

	Oct. 31, 1929	Dec. 31, 1934
	$	$
Current assets:		
Cash	7,320	2,075
Receivables	1,918,003	1,086,742
Inventories	921,404	537,574
	2,846,727	1,626,391
Current liabilities:		
Bank loans sec.	835,000	1,282,205
Payables	321,399	*115,815
	1,156,399	1,398,020
Working capital	1,690,328	228,371

*Includes $100,000 unpaid call Sunshine W. Co.

This company makes threshing machines and combines. It owns half the stock of Sunshine-Waterloo Co. formed to make combination reaper-threshers first developed by H.V. MacKay Co. of Australia. During the depression the plant has been used to develop new lines for which demand has been greater. If high level of demand comes again it has plant and facilities to handle trade. In such a case there would be a good chance to make stock valuable again. Meanwhile the company must preserve liquid assets carefully in order to be able to make a real bid for whatever market develops in 1936 under reciprocity conditions.





T. E. Bissell Co.

T. E. Bissell Co. is a small, well-managed company making farm implements such as disc harrows, mulcher packers and steel land rollers. Sales have been improving but further improvement is desired. Dividends on 7 per cent cumulative redeemable convertible preferred stock if $100 par value will be in arrears $35 a share on January 1, 1936. If the new trade agreement curtails sales in any way there will probably be a reorganization of capital. In fact, there is likely to be unless there is marked improvement over present levels.

Lower St. Lawrence Power Announce Bond Exchange

From Our Own Correspondent

MONTREAL. — Lower St. Lawrence Power Co. has informed holders of the series A, 7 per cent bonds that in line with the plan recently approved, all obligations under the trust deed have been complied with and the lien cancelled.

Holders of the old bonds are requested to arrange for their exchange into the new 5 per cent first mortgage bonds, par for par. Interest on the old bonds ceases to accrue after November 16, 1935.

John Newman Joins Board Anglo-Canadian Telephone

From Our Own Correspondent

MONTREAL.—John C. Newman, president of General Steel Wares and associated with a number of Canadian industrial and financial institutions, has been elected to the board of directors of Anglo-Canadian Telephone Co.

Huge Cost of Unemployment Relief $9.13 Annually to Every Canadian

Government Expenditures of Over $100 Millions Yearly Major Factor in Increasing Debt

Whether he realizes it or not, the average Canadian pays $9.13 a year toward the cost of unemployment relief.

Since 1930, when the problem first faced the country on a large scale, the per capita cost of relief has reached the enormous figure of $54.80. By the end of March, 1936, the Dominion will have spent approximately $568.6 millions for the relief of unemployed, which includes farm relief.

The figures are estimates. It is impossible to determine definitely what the total cost of relief in Canada has amounted to, for two reasons. Firstly, the data available are inadequate, and secondly, works programmes and expenditures are only a part of the cost of relief.

Here For Long Time

One thing is certain, however. The unemployment problem will exist for a long time to come and the burden of the relief cost will remain for a far longer period than unemployment, if the latter ever does vanish.

Relief costs are rising. And they will continue to rise until the point has been reached where business really starts to absorb surplus labor again. Total expenditures for relief, federal, provincial and municipal, since 1931 are shown below. For complete details of this expenditure, refer to the accompanying table on unemployment relief cost on this page.

Total Expenditures for Relief
Years Ended March 31

1931	$11,732,000
1932	96,896,000
1933	93,821,000
1934	95,762,000
1935	125,448,000
1936*	145,000,000

*Estimated.

More Than Million Being Helped

How many persons are benefitting by this enormous expenditure? The number receiving direct relief, for which they do not turn their hand in work, is well over a million.

During the summer months the total of those on relief drops slightly compared with the winter. The reason is obvious. With winter coming on, works programmes, possible to undertake in the warmer weather of summer, have to be discontinued during colder weather. Even the programmes of clearing the federal and provincial parks of underbrush, and other projects which can be undertaken in winter, do not account for the difference between those on relief in summer and those in winter.

In August of this year, about one tenth of the population was on relief according to the population figures of 1931, which stood at 10,377,000.

The trend of unemployment is shown fairly well by the numbers receiving direct relief over a period of years. Figures including heads of families, those dependent on them and other individuals who were in need of help, reveal that the total was over 1.1 million at the end of August, this year.

In addition to the number receiving direct relief in Canada are thousands who have been given assistance by the Dominion as a result of the inauguration of the works programmes. These include the various provincial schemes, the trans-Canada highway project, municipal works, farm placements and the relief land settlement undertaking.

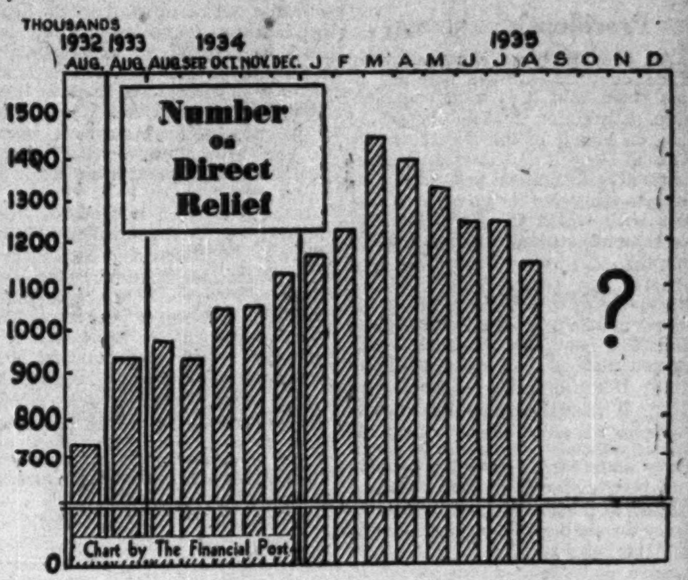
Financial Jolt

As a result of this large number being assisted by the state, the financial position of the country has received a severe jolt. The national debt has taken the largest share of the repercussions as the Dominion has sought to provide help for its relief problem.

Canada's net debt from 1930 to 1935 increased by $669.9 millions. Unemployment relief and the wheat bonus accounted for 28 per cent of this increase. So large have been the relief costs in the provinces that outlays for this phase of Canada's activity were generally capitalized in the increase of debt. Provincial relief expenditures have not even been included in current expenses. The Dominion's share of unemployment relief has been placed in the special expenditures group and therefore included in the deficit. Payment of this has not been made, however, and therefore the amount of relief has actually been capitalized.

Relief Inflationary

The fact that the money supplied for the relief of indigents or that spent on them, in Canada, is obtained by way of debt increases makes relief in Canada inflationary. It is "manufactured" money.



The Financial Post pointed out previously that a consequence of the borrowing of money to pay for relief is that the national income is increased. There is that much more money circulated. It amounts, however, to spending what we haven't got. The implicit assumption behind it, of course, is that the money will be taken back some day from taxpayers. As long, however, as relief expenditures, which leave behind no self-liquidating asset, are simply borrowed, Canada is carrying on an inflationary policy.

National Responsibility?

It has been felt by provincial and municipal authorities that the Dominion should take over a greater percentage of the cost of relief. These authorities feel it is a national question and should therefore be nationally dealt with. The time has passed, they argue, when local governments should be required to place themselves in financial jeopardy because a situation has developed which is not of their creation.

It is likely that the conference of premiers in Ottawa in December will go fully into the subject. It is known that plans for a more unified system of relief with their financial features are to be submitted to the conference at that time.

Unification Necessary

Unless the unification of the system of handling relief is brought about, there is no indication as to how serious the problem will become. Twenty-nine municipalities in Ontario are now under government supervision. To date the per capita monthly cost of those assisted has varied from $12.38 in the town of New Toronto to $4.33 in the town of Kingsville. Four municipalities in the above class show a per capita cost of over $10. In the municipalities which are not under supervision, not one shows a cost of over $10, but there has been a variation between $9.37 and $4.98.

Below may be seen from actual instances, provided by the Ontario Department of Welfare, the differences in the amounts of direct relief provided, together with the average numbers assisted. The first table gives some of the supervised municipalities, the second a number of unsupervised municipalities cited at random.

Supervised Municipalities
Average 1935 to Oct. 31

Municipality:	No. assisted	Monthly per capita cost
New Toronto (T)	1,402	$12.38
Long Branch (V)	1,001	11.25
Windsor (C)	25,217	10.37
Mimico (T)	1,288	9.76
Sandwich E. (Twp.)	1,820	9.63
York E. (Twp.)	13,142	9.60
Etobicoke (Twp.)	2,434	9.11
Lasalle (T)	235	8.60
Sandwich W. (Twp.)	1,209	8.11
Essex (T)	480	7.61
York N. (Twp.)	3,061	7.34
Weston (T)	340	6.88
Rockland (T)	988	5.78
Kingsville (T)	188	4.33
Unsupervised Municipalities		
Brantford (C)	5,924	4.37
Ottawa (C)	19,745	8.51
Trenton (T)	1,512	8.28
London (C)	8,437	7.98
Kitchener (C)	3,760	7.81
Port Arthur (C)	2,518	7.56
Crowland (Twp.)	710	6.72
Belleville (C)	1,733	6.17
Chatham (C)	1,545	5.58
Cobalt (T)	374	5.11
Alexandria (T)	699	4.98
Huntsville (T)	260	4.69

(C)—City.
(T)—Town.
(V)—Village.
(Twp.)—Township.

In Western Provinces

As in the four previous years, the Dominion has found it necessary to give assistance to the four western provinces by the granting of loans to enable them to command, in part, provincial and municipal expenditures for relief and to make loans to farmers in distressed areas. The estimated net outstanding loans to provinces under the relief act at March 31, this year, was $74.5 millions.

18 Cents For Every $1

The estimated total revenue from taxation in Canada, including federal, provincial and municipal, in 1934 is $690 millions. The total cost of relief in Canada during that year amounted to $125.4 millions. Therefore, for every $1 the Canadian taxpayer pays, he would theoretically pay 18 cents for relief. With the cost of relief going up (The Financial Post estimates it at $145 millions for the year ending next March) and the probability that taxes won't go down, the 18 cents will in all likelihood increase concurrently with the total cost.

Dominion relief is a "Special" expenditure item. Of the $86.1 millions which fell into this class during the last year, relief totalled $60.4 millions. This amount, which the accompanying table shows, was almost double the expenditure in the year previous to that. It was made up of the following individual items:

Dominion Relief Expenditure

Direct relief	$33,500,000
Dom. contribution to prov. and municipal works and undertakings	5,110,000
Public Works Construction Act, 1934	8,500,000
Dom. contribution to relief in Sask. drought area	5,000,000
Other expend. incl. Dom. projects, camps for single homeless, jobless men	8,338,000
Total	$60,448,000

Burden on Future

Bankrupt municipalities are having difficulty in pulling through. But every other municipality is also having its troubles. Many are issuing bonds to raise the money wherewith to help pay for their relief. They are seeking to keep their tax rates down but at the same time they are providing for a higher tax rate in future when they pay the interest and principal on these bonds.

The press is daily revealing the difficulties being faced. One instance will serve to illustrate the point. From the Sudbury Star it is learned that the town of Blind River, a well-to-do and growing community when the lumbering business was thriving, is today facing insolvency, with about 60 per cent of its population reported on the relief lists, its bankers unwilling to advance a line of credit, and its water system debentures defaulted.

The Star points out that the town would have to set a 120-mill tax rate if it were to pay the Government required 20 per cent of relief expenditures. Up to now the Government has paid the costs of relief in full. The town is seeking to have the Government supervise the municipality because otherwise it will sink further into debt.

In other words the cost of relief is becoming so burdensome to every authoritative body that observers feel something must be done soon by way of a national policy. Otherwise the nation will find itself in a position from which it will be almost impossible to extricate itself, they contend.

Unemployment Relief Cost $568,659,000 in Six Years

The total expenditures by the Dominion for unemployment relief for six years ending March 31, 1936, will be $568,659,000, The Financial Post estimates. This amount does not include expenditures for relief projects which cannot readily be segregated into relief proper, such as grants, bonuses and semi-relief undertakings. It refers to direct relief and public works which are authorized to relieve the unemployment situation in Canada.

All figures in the following table are adjusted as at the end of the Dominion's fiscal years, March 31.

RELIEF EXPENDITURES IN CANADA
YEARS ENDED MARCH 31
Dominion Government Expenditures

Statutes	1936	1935	1934	1933	1932	1931	Totals
	$	$	$	$	$	$	$
1930	....	3,000	4,000	348,000	13,190,000	4,432,000	18,177,000
1931	....	55,000	564,000	17,048,000	25,106,000	....	42,773,000
1932	....	310,000	6,948,000	19,125,000	....	....	26,383,000
1933	....	2,430,000	28,346,000	....	....	....	30,776,000
1934	....	57,650,000	....	....	....	....	57,650,000
1935	*75,000,000	....	....	....	....	....	75,000,000
Totals	*75,000,000	60,448,000	35,862,000	36,721,000	38,296,000	4,432,000	250,759,000
‡Provincial and Municipal Expenditures							
Provincial	37,000,000	35,000,000	32,800,000	31,700,000	33,300,000	4,400,000	174,200,000
Municipal	33,000,000	30,000,000	27,100,000	25,400,000	25,300,000	2,900,000	143,700,000
Totals	70,000,000	65,000,000	59,900,000	57,100,000	58,600,000	7,300,000	317,900,000
Grand totals	145,000,000	125,448,000	95,762,000	93,821,000	96,896,000	11,732,000	568,659,000

*Estimate of The Financial Post based on seven months' figures and including $25,000,000 under the Public Works Construction Act, 1934.
‡Estimates throughout by The Financial Post.

Ottawa Issues Official Base Security Values

The official basis for valuation of insurance company securities has been issued this week by G. D. Finlayson, federal insurance superintendent. The 1935 plan follows closely that used last year and differentiates between companies wishing to use actual market values in preparation of their annual statements and those who still desire to use official "authorized" values.

The only stipulation for companies using market values is that Ottawa "suggests" that wherever the aggregate market value of securities exceeds aggregate book value, the excess be not extended so as to increase the book value surplus shown in the statement.

For authorized values the same basis as last year is suggested subject to the condition that any company adopting this said basis shall apply "an amount at least equal to the amount of the net book value surplus earned during the year 1935 to write down book values and thus reduce authorized values or other assets or create reserves against these."

It is also stipulated that no such company shall during 1936 increase its present scale of dividends to either shareholders or policyholders.

IMPERIAL BANK OF CANADA

61st ANNUAL MEETING

Addresses by the President and General Manager

Canada's Trade Figures Growing

The Annual Meeting of Shareholders was held at the Head Office, Toronto, on November 27th. The Chair was taken at noon by Mr. Frank A. Rolph, President, who said in part:

President's Address

An eventful year has passed by since our last Annual Meeting in this room, and it is with considerable satisfaction that I present to you, on behalf of the Directors, the Annual Report. It shows a continuance of substantial progress, notwithstanding the many adverse factors with which the Bank has had to contend during the past twelve months.

FEDERAL ELECTION

Last month we had a Federal election and saw the Liberal Party elected under the leadership of the Right Honorable W. L. Mackenzie King. Whatever our political opinions may be, we should have a feeling of satisfaction and relief that a Party standing for sound principles and progressive ideas has been returned to power with a mandate to carry on the business of the country, and the large majority it has should inspire courage and confidence to carry out the great trust which has been given it. The gradual improvement in business conditions which has been noted during the past two years should now continue towards building up the prosperity of Canada.

BANK CRITICS ANSWERED

During the past few years, we have heard from platforms, and there has appeared in the press, criticism of Banks and Bankers, which has been most unfair. I do not mean to infer that the press has been unfair, but the views expressed by a few, to whom the columns of the press have been open, have abused the Banks in a manner which should call for some rebuttal. Bankers, I believe, are the most inarticulate class in the world—hence much of the criticism has gone unchallenged. So far as the press itself is concerned, it has been manifestly fair, and editorials are now beginning to comment upon the criticism to which the Banks have been subjected, and in these editorials they are exhibiting a spirit of fair play, and asking for fair play, on behalf of the Banks, for which we thank them. The principal criticism to which we have been subjected has been that of withholding credit. It seems extraordinary to me that we should be criticized for this. The granting of credit is the principal business of a Bank, and the most profitable. Bank credit has been withheld in some cases, simply because it has been felt that credit has not been justified. We accepted millions of money from depositors and it is our duty to take care of it. We loan this money to those entitled to the credit, and in the transaction we make a small percentage of profit for doing so. We can only loan money where, in the judgment of the Banks, it is going to be repaid. Why should we withhold credit if it is going to be to our advantage to grant it? And, why should we grant it if we feel that the money entrusted to us is not going to be returned? I might say that in many instances Bank Officers have been thanked for withholding credit to customers who would have lost heavily had they obtained the money for the purpose asked for. Why is there not more demand for credit today? Our industrialists are, no doubt, marking time, owing to the uncertainties due to the political situation in Canada and the world generally. The Banks, however, have plenty of funds available to make industrial loans and we would point out to those making criticism that any one who can use Bank credit to advantage will find ample money to do so, provided justification for the loan can be seen.

I am pleased to note that at the recent Annual Meeting of the Canadian Bankers' Association the Retiring President, Mr. Jackson Dodds, expressed himself very clearly on this subject. I heartily concur in his conclusions.

I would also like to quote the following paragraph from an article by a Banker which appeared recently in the Financial Times and other newspapers—

> "May I leave this closing thought with you; the Banks are sometimes accused by the public of withholding credit, but when one considers the manner in which they have weathered the storms and safeguarded your savings, is it not rather the public who are withholding credit due to the Banks for their public services? Think it over, and if some of you feel you could have been more helpful to your Banks, lend them a hand when others criticise. Knowing your innate sense of fair play, I feel confident of your co-operation."

I commend this thought to your consideration.

TRADE FIGURES ARE UP

Some recent figures in connection with Canada's trade received from Ottawa are most encouraging. I have only time for a few items. The total trade of Canada for the year ending September 30th, 1935, amounted to $1,235,789,000, which was an increase over the 1932-33 period of 37.9% and an increase over the 1933-34 period of 8.8%.

Canada's Imports for the twelve months ending September 30, 1935, amounted to $539,256,000, an increase over the period ending September 30th, 1933, of 40% and an increase over the period ending September 30th, 1934, of 8.4%.

Exports are also quite impressive. For the period ending September 30th, 1935, they amounted to $685,955,000, an increase over the year ending September 30th, 1933, of 35%, and an increase over the year ending September 30, 1934, of 8.7%.

Canada's Trade Balance for the year ending September 30th, 1935, was favorable to the extent of $157,276,000, which is an increase of $16,571,000 over the same period last year.

PROVINCIAL CONDITIONS

In BRITISH COLUMBIA the major industries—Lumbering, Mining, Fishing and Agriculture—all continue on the upward trend. Government Revenues are higher, also the Vancouver City Tax Collections are ahead of last year. There is an increase in the Salmon Pack of 12%. Gold Mining is active. The unemployment situation is a serious factor in Vancouver, but, on the whole, business is better and promises to be better still.

In ALBERTA it is reported from Calgary that there is evidence of improved conditions in Agriculture, Live Stock and Manufacturing, and business in the city is considerably better than it was a year ago. The Wheat Crop in the Edmonton district has been disappointing, but otherwise business is holding its own. Owing to the new Social Credit government in the Province it is very difficult to foretell the trend of conditions at the present time. Alberta is more or less "marking time."

In SASKATCHEWAN conditions are somewhat similar to what they are in Alberta, leaving out the Social Credit complication. Conditions with the farmers are undoubtedly better, although in the Weyburn district, where we have a number of Branches, there is disappointment. After the promising outlook in the Spring which justified the farmers in expecting a profitable crop, the development of rust resulted in extensive damage. The continued fertility of the soil was, however, proven, and it is with much satisfaction that we hear that the farmers still have faith in the district. If we could only get a normal crop the whole situation would be greatly improved. Financial conditions in the Province are satisfactory, and the two Provincial issues, one of $4,000,000 and the other of $3,500,000, made since the middle of July last, were readily subscribed for, and indicate that confidence in the financial standing of the Province has not been impaired.

In MANITOBA we hear from Winnipeg that there has been a slight improvement in business conditions, and that the purchasing power of the farmer is increasing. The crop is small in volume and poor in quality, but prices are better, and the opinion is expressed that the West has seen the worst of the depression, and confidence is now being restored.

In ONTARIO the reports we have from the various centres are quite encouraging. Even in the hard hit Essex district there is a great improvement. The manufacturing districts in Central Ontario all report increased activity and improved employment conditions. In Northern Ontario increased mining activity is in evidence, and conditions generally throughout Northern Ontario are considerably improved and unemployment reduced.

Likewise in the Province of Quebec agricultural conditions show improvement, and moderate increases in both volume and price are noted. Manufacturing (exclusive of building construction and railway equipment) has shown steady improvement during the year, and the outlook is promising.

The Pulp and Paper industry has shown a considerable increase in production during the year, but the present price does not yield any return to our Canadian Mills. It seems extraordinary that one of our great natural resources (timber) is being reduced to Newsprint for the benefit of the United States' publishers. All efforts, so far, to stabilize price and equalize production have been unavailing. It seems incredible that we should be depleting our forests for the benefit of the United States, with no profit to ourselves, while they are conserving their own against the time when ours shall have been exhausted. This is a matter in which the Provinces of Ontario and Quebec are jointly interested, and now that the Governments of these two Provinces are of the same political faith, they should get together and have matters adjusted on a mutually profitable basis.

PUBLIC FINANCES

To sum up—while we feel greatly encouraged by the general improvement in business conditions, we cannot ignore the condition of our public finances. Our Governments, Federal, Provincial and Municipal, are over-spending to an alarming degree, and our debts are accumulating. We should, by every means in our power, endeavor to encourage a firmer stand on the part of our public leaders to control expenditures, so that we may get our Budgets balanced and Taxes reduced. An encouraging item in connection with Federal Government financing since the present Government came into power was the Bond issue of $75,000,000, at 2½% and 3%, which was very heavily oversubscribed inside of three hours—an indication of confidence which is reassuring. In conclusion, I would say conditions today justify me in saying that our watchwords should be CONFIDENCE and COURAGE.

NEW HEAD OFFICE

This will be the last Annual Meeting to be held in this building. It is with a great deal of regret that we say good-bye to this old Head Office, which has been occupied by the Bank since 1875. It has been a long period of time for us to have been in the original quarters. We have much to be thankful for, and can look back with a great deal of satisfaction to the steady development of the Bank during these sixty years. We are looking forward to occupying the new Building, and this compensates in a large degree for our regret in leaving the old.

MR. A. E. PHIPPS,
General Manager.

The profits for the year, amounting to $1,208,079.49, are approximately $24,000 less than the profit shown in the 1934 statement. They have been applied to take care of the usual expenses of dividends, Guarantee Fund and Pension Fund, and $250,000 has been written off Bank Premises and $199,112.51 has been applied to Dominion Government taxes, including tax on circulation and Income Tax, an increase of nearly $30,000 over last year's requirements in that respect. The amount carried forward is $607,242.16, an increase of $34,500.

My attention has been called to the fact that some newspapers emphasize the statement that profits at $1,208,000 equals $17.26 per share, which might very well give a wrong impression. Proper deductions from our profits would be the writing off from Bank Premises and the amount reserved for taxes. If this were done our profits would be about $750,000, which would equal 5% of the Bank's capital reserve fund and undivided profits, the total of which represent the shareholders' investment in the Bank.

The Balance Sheet submitted is the first Balance Sheet published by any of the older Chartered Banks since the Bank of Canada came into operation and the 1934 Revision of the Bank Act, and is interesting from that point of view. Consequently one cannot make direct comparisons with former Balance Sheets. For instance, the circulation, which stands at $6,689,770, compares with $8,375,638 last year, the reduction being in conformity with the section of the Bank Act which restricts, under penalty, the circulation of the Chartered Banks to the amount of their paid-up capital. But for this restriction we would have experienced no difficulty in keeping our circulation up to last year's figure or above.

DEPOSITS UP 8 MILLIONS

The deposits not bearing interest, including Dominion and Provincial Government deposits, are $26,000,902, compared with $21,100,482 a year ago, notwithstanding a decrease of $2,636,000 in the amount of deposits by the Dominion Government due to the operation of the Bank of Canada, the relative figures being $862,116 this year, against $3,498,177 last year. The deposits bearing interest are $88,673,698.87, compared with $85,661,459.70 a year ago. The total deposits are $114,674,601.45, compared with $106,761,943.11 a year ago.

The other liabilities to the public, consisting of Balances Due to agents in Canada and abroad, amount to $3,706,313, compared with $3,337,776. The total liabilities to the public are $125,070,685, compared with $120,065,358, an increase of $5,005,326.

THE ASSETS

Notes of Bank of Canada, $4,264,915, and Deposits with Bank of Canada, $7,066,631, the two totalling $11,331,546, replace Dominion Notes, which last year stood at $9,283,913, an increase of over $2,000,000 in this form of cash.

Adding our other cash assets we get a total of cash and cash deposited $21,774,227. This is a slight reduction, represented by $2,000,000 deposited in the Central Gold Reserves in 1934 which has been used to reduce the circulation, as already referred to. The figures equal 17.4% of the liabilities to the public.

The Bank's holdings of Dominion and Provincial securities amount to $29,397,871, compared with $23,738,009 last year. The increase is quite substantial, and is in keeping with the trend of investments of Canadian Banks generally.

The Canadian Municipal securities are down $500,000, and stand at $4,907,569 after allowing full depreciation. Other bonds, debentures, and stocks not exceeding market value $126,584 are some $28,000 below last year's figure. We do not make a practice of investing in securities other than those of the Dominion and Provincial Governments and first-class Municipalities.

The Call Loans in Canada, at $5,534,229, are $1,500,000 down.

The loans to Provincial Governments, at $5,712,458, show an increase of $2,700,000, and Municipal loans, $5,639,163, are $1,900,000 down.

Adding together these totals, i.e., the cash holdings of $21,774,227, the Securities, $34,432,025, and quickly realizable loans, $16,885,852, we get a total of $73,092,104 cash and readily realizable assets, equal to 58.4% of our liabilities to the public.

CURRENT LOANS UP $1,500,000.

The current loans, at $60,640,424, are $1,500,000 in excess of last year's figure. The current loans of the Bank have kept up very well, indicating that the Bank enjoys a good measure of the commercial business of the country. The current loans have been carefully reviewed, and full provision made for all bad and doubtful debts.

The Bank Premises account, at $6,000,000, being unchanged from last year, although you will note in the Profit and Loss Account $250,000 was written off out of profits.

BRANCHES

The Branches of the Bank now total 195. During the year a Branch has been opened at Jellicoe, in one of the mining districts of Ontario, and we have closed the Branch offices at Quebec City and at Lewvan, Halbrite, and Benson, in Saskatchewan.

SHAREHOLDERS

The shareholders of the Bank now total 2,610, compared with 2,652 a year ago. The shares held by residents of the United States number 8,845, divided amongst 330 shareholders, compared with 8,765 and 343 shareholders last year.

STAFF

The staff of the Bank totals 1,329, compared with 1,351 a year ago. I would like to associate myself with what the President has said about the staff. They are a fine lot of men and women, and the results are the best evidence that they have worked hard and faithfully through all these difficult times.

BANK OF CANADA

The Bank of Canada opened for business on 11th March last, and so far its establishment has had no spectacular influence on the situation of the Chartered Banks. We have all had to immobilize 5% of our deposit liabilities in Canada in the form of notes of the Bank of Canada and deposits in the Bank of Canada, for which we receive no interest, the limit of our circulation has been reduced and will be still further reduced from time to time, all of which is having a moderate effect upon the earning power of the Chartered Banks. On a previous occasion I remarked that the Canadian Banks have always been able to adjust themselves to circumstances, and it is now being demonstrated that such is the case.

INTEREST RATES

Interest rates have been still further depressed during the year largely through pressure from Ottawa for reduced rates on Government borrowings and also by legislation limiting the maximum interest which may be charged on loans. There has also been a substantial reduction in interest on borrowing accounts by reason of the reduction in the interest paid on Savings deposits from 3% to 2% a little more than a year ago. In my opinion interest rates have been pushed down far enough. We can understand the desire of our governing bodies to force the interest rates down on their borrowings, but inevitably this reduction falls on the investors who buy their bonds and the people who invest their savings in Bank deposits, life insurance, and what not, thus penalizing thrift and discouraging the saving of money which has always been looked upon as such a desirable habit heretofore. Surely money the same as any other commodity is worth reasonable wages or rent, if you like to put it that way.

OUR FORTUNATE POSITION

It is a matter of much regret that world politics continue in rather a delicate balance, a War now going on, even though on a restricted scale, and financial sanctions being actually applied to one of the major powers. With upheavals in so many lands it is more and more impressed upon us how fortunate we are to be a part of the British Empire which has been able to not only survive and hold its place among the Nations, but to take a lead in efforts to maintain peace in other countries. One of the expressions of nationalism since the World War has been in the form of extreme restrictions on international trade to a point where it is often reduced to nominal proportions through prohibitive tariffs. The Empire Trade Agreements and more lately the reciprocal treaty with the Government of the United States constitute a gleam of light and indicate that among the English speaking races at least the commencement of a real effort to break down the barriers and resume trade on a more open basis. May their efforts meet with every success. In this respect there is encouragement in the fact that in both Great Britain and in Canada new Governments have been set up under experienced leaders and with majorities sufficient to ensure a continuance of definite policies for some years ahead.

Just a few remarks upon some of the features of Canadian business in which your Bank is most directly interested.

The latest crop report of the Dominion Bureau of Statistics estimates the yield of wheat at slightly lower than 1934, which was considerably below the average for the past ten years. It is computed that owing to the selling policies of the last few years Canada is in the unique position of holding about half of the total visible supply of wheat and exports of this commodity still continue unsatisfactory. In contrast to this situation there has been a pronounced gain in our shipments of livestock, especially livestock going to the United States market. These shipments and the exports of other products of agriculture, together with those of certain commodities coming under the new reciprocal treaty, should prove a substantial advantage to the agricultural interests and to the position of Canada's trade as an exporting country.

Lumber operations, which have been far from satisfactory, should also be stimulated, as should the export of certain lines of fish, principally fresh water fish, and the product of the Pacific Coast fisheries. Generally we may look forward to an increasing volume of Canadian exports of primary products.

The mining of precious metals continues to expand, and the demand for electrical power appears to have fully recovered from the depression, new records being set in recent months. Building continues much below the pre-depression years, but has shown a substantial gain over 1934, indicating some returning degree of confidence in the future of property values. Automobile sales, both domestic and export, have been the best for some years. Freight traffic on the railways shows only a nominal gain over last year, but the margin of net earnings has improved. A study of recent export figures discloses striking gains in the export of farm implements and other machinery, in aluminum and in artificial silk and other processed manufactured lines. It is possible that these exports may be adversely affected by the new treaty.

Against these favorable developments we have the unsatisfactory state of our public finances, but by and large there seems to be no doubt that the country's business is steadily, if slowly, improving. Let us hope that it may continue to do so.

An interesting summary of the depression is to be found in the figures of our own annual statements over the period. 1929 was the peak year with the Bank's earnings at $1,561,000, its deposits at $122,000,000, and its loans at over $80,000,000. In 1930, the first year of the decline, the profits were $1,424,000, the deposits were $114,000,000, and the current loans $68,000,000 odd. By 1932 the profits had shrunk to $1,205,000, and the deposits were down to $99,000,000, and the current loans to $57,000,000. Last year, 1934, the profits had risen to $1,231,000, the deposits had risen to $106,000,000 and the current loans to $59,000,000, and this year, to repeat what I have already said, though the profits are still only $1,208,000, the deposits have increased to $114,000,000, and the current loans are up to over $60,000,000. I would think that the figures of other Banks are probably comparable with these and if figures mean anything at all it means that as far as the business of banking is concerned we reached the bottom of the hill about two years ago and now are working upwards again. I repeat that I trust that this will be found to be the case.

Directors were re-elected as follows: Frank A. Rolph, Lieut.-Col. J. F. Michie, R. S. Waldie, George C. Heintzman, J. W. Hobbs, Walker C. Laidlaw, John A. Northway, A. E. Phipps, Henry E. Sellers, Winnipeg, George H. Aikens, K.C., Winnipeg, R. O. McCulloch, Galt, and W. B. Woods. Subsequently a meeting of Directors re-elected Frank A. Rolph, President, Col. J. F. Michie and Mr. R. S. Waldie, Vice-Presidents.

CAN. UTILITIES ON UNITED BASIS EARNS INTEREST

Savings Under $2,450,000 Bond Issue Should Increase Profits

Prospectus issued in connection with Canadian Utilities, Ltd., offering of $2,450,000 first mortgage 5 per cent 20-year bonds due September 1, 1935, shows sales of electric power at slightly under $1 million in 1932, 1933, and 1934 respectively. In the eight months ended September 30, 1935, sales reached $662,504 and in the 12 months ended September 30, 1935, they exceeded $1 million. Operating expenses have been around $600,000 in each of these years and depreciation a little under $100,000.

After deducting depreciation, adding additional income and making other adjustments net income in 1932 was short by $80,227 for meeting $221,000 interest required on 6½ per cent mortgage bonds then held by parent company, Dominion Gas & Electric Co., and $79,432 interest on advances. In 1933 there was $12,459 profit after paying interest and $8,432 profit in 1934. Revenue fell short of paying interest in the eight months ended September 30, 1935, by $16,269, but for the 12 months ended on that date was more than sufficient by $6,188.

These figures are the combined earnings of Canadian Utilities, and Union Power Co., which the parent company merged on August 31, 1935. The method of merger adopted by Dominion Gas & Electric was for Canadian Utilities to buy Union Power Co. In the period from 1931 to September 30, 1935, Canadian Utilities, Ltd., predecessor company, showed losses in each period after paying interest. Union Power Co., however, showed net profits in each period. Combined a net profit is shown for Canadian Utilities, as reconstituted.

After giving effect to the refinancing, interest charges will be $122,500 on new 5 per cent bonds and $64,350 on inter-company indebtedness, making a considerable saving.

Current assets total as of August 31, 1935, were $344,128 and current liabilities were $171,951. Total funded debt, including municipal debenture liabilities, was $2.6 millions, and notes payable to affiliated companies $1 million. Total depreciated fixed assets reached $4.2 millions and there were intangibles of $858,680.

$1,225,000 Bought Union Power

The bonds are being sold by the owner, Dominion Gas & Electric, to E. H. Rollins & Sons, Inc., Burr & Co., Inc. and Chandler & Co. Inc. The underwriting agreement provides for a sale of $1 million bonds first with the option for the buyers to take the remaining $1,450,000 bonds for 90 days after they have paid for first million. W. C. Pitfield & Co., Montreal and Toronto, bought one-fifth of the first $1 million issue from E. H. Rollins & Sons and will take one-fifth of further bonds that are taken up. Estimated net proceeds to Dominion Gas & Electric are $2,167,187.

P. M. Chandler is president and managing director of International Utilities Corp., which indirectly controls Canadian Utlities. He is also chairman of Dominion Gas & Electric Co., which directly controls Canadian Utilities. He is president and director of Chandler & Co. which owns one-third of the common stock of Burr & Co. International Utilities Corp. is also a preferred shareholder of Burr & Co.

New Books

ECONOMIC CONDITIONS IN CANADA (1934-35). Annual report of F. W. Field, H.M. Senior Trade Commissioner in Canada and Newfoundland. Printed by H.M. Stationery Office, London. Price 4s. net.

It is always informative and refreshing to see ourselves each year as Mr. Field sees us. This year's report is about 170 pages in size and as usual is full of terse, informative material on every phase of Canadian trade and commerce. Only a few pages are devoted to summary material the bulk being a specific review of individual trades and industries written especially for the eyes of the British manufacturer.

One thing that makes these reports particularly interesting (far more so than the bulk of our own official statistical reviews and publications is the injection throughout of company names. For example it is much more interesting to read that Consolidated Mining and Smelting Co. started to manufacture zinc dust in Canada than it would be to read that "a leading company has started to manufacture . . etc." The one drawback about most of these comments is that they refer mostly to "this year" meaning 1934. Since the report does not appear, on this side of the water at least, until late in 1935, its usefulness is accordingly somewhat impaired.

The best simile in the report is Mr. Field's comment on Canada as a market for United Kingdom goods, when he states that "to try to compel Canadian consumers to purchase something they do not know or particularly like is as impossible as to persuade the United Kingdom to eat griddle cakes and maple syrup with the passion of North America."

Mr. Field's summary of the Canadian outlook is equally well phrased when he says: "Today the waters are calmer but the winds are not altogether too favorable. Occasionally squalls and a dragging anchor bring frowns to the brows of the skipper and crew; but the hope and skill which have taken them through the worst of the storm will undoubtedly bring them to the haven they seek. They have steadily ploughed the high waves of the depression and have made good progress in the past two years."

B. C. Salmon Catch Exceeds 10-Year Av.

Department of Fisheries at Ottawa expects the 1935 pack of British Columbia salmon to reach 1.6 million cases as against an average pack in the ten years 1925-1934 of 1,541,860 cases holding 48 one-pound cans each. Cases of sockeye at 350,000 will be lower than the 370,700 cases processed in 1934, however. Pinks, cohoes and chums show gains, while the less important springs, bluebacks and steelheads are down.

The 10-year average quoted above includes British Columbia's record of 2,221,000 cases in 1930. It requires 84 pounds of fresh salmon to produce one case of 48 one-lb. tins of canned salmon. This year's pack, therefore, will be from 134,400,000 pounds of fresh salmon. Half of the pack is ordinarily credited to British Columbia Packers.

BANK MONTREAL SHOWS EARNINGS $8.35 PER SHARE

Total Assets and Deposits Rise Sharply — Government Account Off

From Our Own Correspondent

MONTREAL.—Bank of Montreal's financial statement for year ended October 31, 1935, shows an increase of around $46.7 millions in deposits, and a net gain in assets of about $33.6 millions, as compared with that reported a year ago. The statement also shows that loans contracted by nearly $16.3 millions, while investments in government and other securities increased $43.8 millions. Consequently the bank's liquidity stands at 74.38 per cent—a level well above the average reported for many years past.

The lack of commercial loans is reflected in the income statement, which shows profit before taxes at $4,007,302, as compared with $4,105,024 in the previous twelve months. After providing for increased taxes, the surplus was sufficient to cover dividends and leave a small balance to carry forward to the profit and loss balance. After taxes and reservation for bank premises, earnings per share amounted to $8.35, compared with $8.62 in 1934. Dividends of $8 a share were paid in both years.

Income and Surplus Account
Years Ended Oct. 31

	1935 $	1934 $
Previous surplus	1,809,820	1,585,451
*Profits	4,007,302	4,105,024
Total	5,817,122	5,690,475
Deduct:		
Government taxes ...	1,002,089	900,654
Dividends	2,880,000	2,880,000
Bank premises	....	100,000
P. & L. balance ...	1,935,033	1,809,820

*After making appropriation to contingent reserve fund, out of which fund full provision for bad and doubtful debts has been made.

Change in State Deposits

Demand and notice deposits at the end of October aggregated $676.9 millions as against $630.2 millions a year ago. In the breakdown of the deposits, a sharp decrease is shown in the Dominion government accounts from $36.8 millions to $9.9 millions. This reflects the coming into operation of the Bank of Canada which has taken over the greater part of the government's business. The provincial governments' accounts show an increase from nearly $9.9 millions to $15.1 millions.

Effects of Change Seen

Several changes are noted among the liabilities. Holdings of gold and coinage have dwindled to small proportions. Dominion notes are replaced with those of the Bank of Canada. Deposits with the Bank of Canada on October 31 totalled over $67.9 millions.

Buy More Bonds

The difficulty experienced by the chartered banks in lending funds for commercial and other purposes, is reflected in a sharp increase in investment of funds in government and other securities.

General Statement
As at October 31

Assets	1935 $	1934 $
Immediately Available Liquid Resources		
Gold held	5,646	15,127,994
Subsid. coin	1,658,147	
Bank of Can. notes▲	12,749,510	62,719,116
Bk. of Can. deposits■	67,945,186	9,000,000
Bal. due by for. banks	37,902,358	16,790,917
Govt. & bk. notes•..	353,146	363,777
Govt. securities:‡		
Maturity within 2 years	136,857,461	149,192,666
Others	182,381,254	135,716,137
Call loans abr. sec..	18,835,238	32,133,844
	458,687,946	421,044,451
Loans and Securities Other Than Those of Canadian Government		
Public securities:‡		
Candn. mun. secs.	31,234,217	17,147,833
Pub. secs. other than Candn.	4,776,335	12,350,509
Other securities‡ ..	6,624,454	3,633,558
Can. call loans, sec.	4,435,736	8,399,658
Curr. loans in Can.†	185,641,800	197,270,858
Curr. loans abroad†	7,021,480	8,816,921
Prov. & mun. loans	38,324,346	33,547,778
	278,058,368	281,167,115
Due from Other Banks		
Notes of other banks	1,385,227	2,401,016
Cheques of other bks.	26,229,369	26,269,902
Due by other banks	1,526	281
	27,616,122	28,671,199
Other Assets		
Non-current loans ..	3,473,685	3,841,484
Real estate	698,165	490,069
Mortgages	825,267	997,906
Letters of credit	7,066,426	6,522,750
Premises	14,500,000	14,500,000
Deposits re circ. fund	1,686,427	1,637,307
Shs. in control cos...	58,005	97,079
Other assets	102,461	138,818
	28,410,436	28,225,413
	792,772,872	759,108,178
Liabilities		
To the Public		
Circulation	29,959,128	35,255,376
Depos. by Dom. govt.	9,900,920	36,803,967
Depos. by Prov. govt.	15,100,000	9,897,321
Adv. under Finance Act	....	9,000,000
Deposits by public:		
Non-int. bearing ..	151,209,828	98,958,738
Int. bear., incl. int.	490,122,270	476,551,846
To banks abroad, etc.:		
Foreign banks	7,600,352	5,137,928
Bills payable	353,012	185,183
Letters of credit ..	7,066,426	6,522,730
Sundry liabs.	1,784,347	1,386,724
	....	679,700,333
Due other Can. bks.	3,010,534	2,869,035
To the Shareholders		
Dividends	730,060	728,939
Reserve	38,000,000	38,000,000
Capital	36,000,000	36,000,000
Surplus	1,935,033	1,809,321
	76,665,093	76,538,810
	792,772,872	759,108,178

†After reserve for bad debts.
‡Not above market value.
▲Prior to 1935, shown as Dominion notes.
■Prior to 1935, shown as deposits in central gold reserve.
•Other than Canadian. Shown as foreign currency in 1934.

MOTOR MAKERS SAID TO BENEFIT BY N. Z. PACT

Change May Aid Makers of Parts and Units in Canada

Important changes affecting the Canadian automotive industry feature the amended Canada-New Zealand pact announced last week. The pact has been extended an additional six months to July 1, 1936, with changes in the auto tariff schedule becoming effective May 1, 1936. Extension is said to be preliminary to a permanent revision of the pact on a new and permanent basis during the next six months.

Changes in the conditions under which New Zealand will allow import of cars from Canada are designed to encourage local assembly plants in New Zealand; to permit domestic production of certain materials such as upholstery; and also to permit lower prices for N.Z. buyers, thus aiding sales.

General Motors Corp. established an assembly plant there some 12 years ago but lately has been servicing this plant direct from the U.S. due to the high Empire or Canadian content requirement of that market. Chrysler Corp. of Canada made plans early this year to build an assembly plant there, while Ford of Canada has been making similar plans since the middle of this year. Official announcement of the Ford plant (estimated to cost $750,000) was made this week.

Expect More Trade

New Zealand officials expect the new duties will mean more unit business for Canadian motor car manufacturers and will also stimulate business among Canadian spring and axle manufacturers. Even the new Canada-U.S. trade pact is not expected to offset this for it is hoped that under the new arrangement there will be sufficient business to justify Canadian production for this market.

Details of the new rates follow:

	New Rate %
(a) Motor vehicles unassembled or completely knocked down	
(1) When expenditure in Canadian or Canadian and Empire labor and materials is not less than 75% of works cost ..	10
(2) When not less than 65% of works cost	12½
(3) When less than 65% of works cost	50
(b) Chassis for electric vehicles	
(1) When expenditure as above is not less than 75% of works cost	free
(2) When less than 75% of works cost	20
(c) Motor vehicles, other kinds	
(1) When expenditure is not less than 75%	25
(2) When expenditure is less than 75%	60

(Trade Trend)

Trend of trade between the two countries in recent years is shown below. It will be seen that the motor car was the major remaining item of that trade and that New Zealand gets comparatively little business in the Canadian market compared to the high figures when butter imports were possible to Canada.

	(Fiscal Years) 1930 $	 1935 $
Canada's Imports		
Cattle hides and skins	125,893	229,857
Beef, fresh	168,669	170,207
Butter	13,620,125	323,304
Sausage casings	1,326,817	755,445
Wool, raw	......	4,918,093
Canada's Exports		
Wheat	219,391	48,275
Wheat flour	391,840	343,705
Rubber mfrs.	3,631,284	1,298,253
Fish, canned	683,231	289,280
Socks and stockings .	565,500	258,228
Woods, unmfrd.	476,530	90,762
Newsprint	1,456,611	950,179
Paper, wrapping	233,496	124,355
Iron bars and rods tons	375,736	333
Iron pipe and tubing	295,903	147,990
Wire, iron	447,724	238,419
Farm impts. and mach.	307,553	125,501
Other machinery	251,424	95,922
Automobiles	5,506,791	1,608,751
Automobile parts	441,558	107,806
Electric apparatus	764,076	266,019
Total trade with Canada		
Imports	16,282,719	2,534,678
Exports	19,166,488	7,344,785

*No dollar value given this year.

Enthusiastic

Wallace R. Campbell, president of Ford Motor Co. of Canada, states that he is enthusiastic about the new trade treaty between Canada and New Zealand. He expects to have the $750,000 assembly plant ready before the agreement goes into force May 1, 1936. The revisions will protect Ford business against encroachments from England and the United States. As a result the company expected to increase the market in New Zealand and employment both at Windsor and Wellington, N.Z. A New Zealand subsidiary will be formed.

MOTOR SALES GAIN SHARPLY IN OCTOBER

New Car Models Send Totals Soaring for Many Makes

Car sales in Canada broke a record in October by topping September figures for the first time since records were compiled at Ottawa. Total sales were $3.2 millions on 2,939 cars. The gain from September was 51 per cent on a value basis. Cumulative figures for the first ten months show unit sales 27 per cent higher than a year ago. Chief gains were made in Saskatchewan, Alberta, B.C. and Quebec.

Chief factor in the increased sales was undoubtedly the presence of advance 1936 models and the impetus to clean up tail-end stocks of 1935 models.

Actual production of motor cars in October was the highest in any similar month since 1929 but earlier comparisons are upset by reason of the earlier introduction of new cars this year. Total production was 8,313 units, a gain of 56 per cent over September and 120 per cent over October a year ago. Of the total, 3,586 were made for export.

By makes, sales in Eastern Canada territory showed unusual changes due again to early-bird models. Ford and Chevrolet were in first and second place as usual but Buick jumped to third position followed by Oldsmobile, Dodge and Pontiac.

Comparative figures follow:

Eastern Canada Pass. Car Sales
(Ten Leading Makes)

	October 1935	 1934	Ten Months 1935	 1934
Ford	379	455	15,818	10,694
Chevrolet	248	588	11,864	12,038
Buick	177	108	1,000	1,847
Oldsmobile	166	126	4,167	2,304
Dodge ...	154	124	5,640	4,756
Pontiac ..	153	100	3,618	1,807
Plymouth	93	156	5,968	4,911
Terraplane	53	74	1,605	1,473
Hudson ..	52	31	713	851
Studebaker	38	42	824	847

Obituary

John N. McKim, prominent Canadian advertising executive, former secretary of A. McKim Ltd., and later president on the death of Anson McKim, his brother, died at his home in Montreal. He was 74.

T. W. J. Smith, European freight manager of the C.P.R., died in London. He was born in Montreal 65 years ago.

John Leonard Sully, superintendent of the Sully Brass Foundry, Toronto, died in his 36th. year.

H. R. Matthewson, formerly general agent of the C.P.R. at Toronto, and general passenger agent, western division, C.P.R., died at Winnipeg. He was 51.

John D. Eagan, of Galt, formerly agency supervisor for the Metropolitan Life Insurance Co., theatre executive, and widely known in Canadian and United States insurance circles died at Galt in his 59th. year.

Senator Charles Murphy, prominent figure in the political life of Canada for 25 years, former secretary of state, and former post master-general, died at Ottawa. He was 72.

Robert Miller, world famous sheep and cattle breeder of Stouffville, and first prominent farmer to hold the presidency of the C.N.E., and his wife, formerly Jessie Harding, were instantly killed when their car was struck by a train at the Langstaff crossing on No. 7 provincial highway.

William Bruce Robinson, agency manager in Canada for the Mutual Life and Citizens Assurance Co., Ltd., of Australia, died at Gravenhurst. He was 59.

W. A. Loudon, comptroller-general of New Brunswick, died at his home in Fredericton in his 62nd year.

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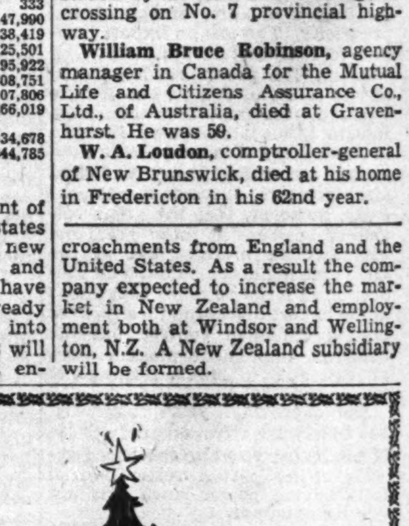

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Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

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YOUR delinquent accounts can be collected through our Canadian Organization, licensed and operating throughout Canada. Box 262, The Financial Post, Toronto.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1935, making a total distribution of ten per cent for the current year—the Dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 2nd day of January, 1936, to shareholders of record of the 20th December, 1935.

By Order of the Board.
DUDLEY DAWSON,
General Manager.
Toronto, 15th November, 1935.

CANADA PERMANENT MORTGAGE CORPORATION

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT for the current quarter, being at the rate of EIGHT PER CENT PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

THURSDAY, THE SECOND DAY OF JANUARY

next, to Shareholders of record at the close of business on the Fourteenth day of December, 1935.

By order of the Board.
WALTER F. WATKINS,
Secretary.
Toronto, November 20th, 1935.

Acme Glove Works, Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of 1⅝% (One and Five Eighths Per Cent) has been declared on the 6½% Cumulative Convertible First Preferred Shares of Capital Stock of the Company, payable on the 14th day of December, 1935, to the holders of such shares of record on the share register of the Company at the close of business on the 30th day of November, 1935.

A. LEPINE,
Secretary.
Montreal, November 20th, 1935.

The Montreal Cottons Limited

Notice is hereby given that a quarterly dividend of One and Three Quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum, has been declared upon the preferred stock of the Company, and cheques will be mailed on the fifteenth day of December next, to shareholders of record at the close of business on the 30th day of November, 1935.

By Order of the Board,
CHAS. GURNHAM,
Secretary-Treasurer.
Valleyfield, November 20th, 1935.

Zellers Limited

Notice is hereby given that an Interim Dividend of one and one-half (1½) per cent ($1.50) has been declared on the Preferred Shares of Zellers Limited and will be payable on and after December 15th, 1935, to Shareholders of record at the close of business on November 30th, 1935.

By Order of the Board,
T. E. McDERMOTT,
Secretary-Treasurer.
Montreal, 15th of November, 1935.

Belding-Corticelli Limited

Notice of Preferred Stock Dividend No. 84

A dividend of one and three-quarters per cent (1¾%) has been declared on the Preferred Stock of this Company, for the quarter ending 30th November, 1935.

Notice of Common Stock Dividend No. 39

A dividend of one per cent (1%) has been declared on the Common Stock of this Company, for the quarter ending 30th November, 1935.

The above dividends are payable on the 2nd day of January, 1936, to Shareholders of record at the close of business the 14th day of December, 1935.

By Order of the Board,
D. F. POLLOCK,
Secretary.

DIVIDEND NOTICES

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-five cents ($1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 31st December, 1935, payable 2nd January, 1936, to shareholders of record 16th December, 1935.

By order of the Board,
L. P. WEBSTER,
Secretary.
Montreal, November 20th, 1935.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarters per cent. (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited for the quarter ending 31st December, 1935, payable 15th January, 1936, to shareholders of record 31st December, 1935.

By order of the Board,
L. P. WEBSTER,
Secretary.
Montreal, November 20th, 1935.

SISCOE GOLD MINES LIMITED

Notice of Dividend No. 15

NOTICE is hereby given that a Dividend of Five Cents (5¢) a share on the issued Capital Stock of Siscoe Gold Mines Limited has been declared payable on December 16th to shareholders of record at the close of business on the 30th day of November, 1935. The stock transfer books of the Company will be closed from December 1st to 15th inclusive for the purpose of the payment of the said dividend.

By order of the Board.
H. E. GREEN,
Secretary-Treasurer.
Montreal, 13th November, 1935.

SOUTHERN CANADA POWER COMPANY LIMITED

Preferred Dividend No. 64

A DIVIDEND of one and one-half per cent (1½%) being at the rate of 6% per annum, on the PREFERRED STOCK of SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending December 31st, 1935, payable January 15th, 1936, to shareholders of record at the close of business on December 20th, 1935.

By order of the Board.
L. C. HASKELL,
Secretary
Montreal, November 22nd, 1935.

DIVIDEND No. 33

HIRAM WALKER-GOODERHAM & WORTS LIMITED

Controlling and Operating
Hiram Walker & Sons Limited (Walkerville)
Gooderham & Worts Limited (Toronto)
Hiram Walker & Sons Distilleries Inc. (Peoria) and Subsidiaries
Distillers & Bottlers in Bond

NOTICE is hereby given that quarterly dividend (No. 33) of twenty-five (25c) cents a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Capital Stock of this Company.

This dividend is payable December 16, 1935, to shareholders of record at close of business November 22.

By Order of the Board,
FLETCHER RUARK,
Secretary and Treasurer.
Walkerville, Can., November 18, 1935.

Lake of the Woods Milling Company Limited

Dividend Notice

Notice is hereby given that a dividend of $1.75 per Share on the Preferred Stock of the Company has been declared payable on December 16th, 1935, to Shareholders of record at the close of business on Saturday, November 30th, 1935.

By order of the Board,
D. A. MacINNES,
Secretary.

Reno Gold Mines Limited (N.P.L.)

Dividend Notice

Notice is hereby given that a dividend of three (3c) cents per share has been declared payable to shareholders of the Company of record as such on the books of the company at the close of business on Tuesday, the 10th day of December, 1935, and that the dividend will be payable on or after the 2nd day of January, 1936.

The Register of Transfers will be closed at the close of business on the 10th December, 1935, until the opening of business on the 20th day of December, 1935.

By order of the Board,
W. A. SUTTON,
Secretary-Treasurer.
Vancouver, B.C., November 20, 1935.

CHEVROLET

CHEVROLET

In 1911, the Chevrolet Motor Company of Michigan was organized to produce the "490 Chevrolet"—to sell at $490—and named after Louis Chevrolet, the famous racing driver.

In 1915, Chevrolet joined McLaughlin-Buick, a product of the McLaughlin Motor Car Company—later to become General Motors of Canada, Limited. Since then over 566,130 Chevrolet passenger cars and commercial vehicles have been built for use in Canada and territories in distant parts of the world.

Chevrolet Motor cars and trucks are advertised in—

Maclean's
Canada's National Magazine

◆

Trade Signals: "Clear"

Business Appraisals of New Canadian-U.S. Pact Reveal Favorable Reaction in Canada, Washington and London

From Canada, the United States and Great Britain, opinions on the recently concluded Canadian-U.S. trade agreement are, for the most part, favorable.

Business leaders and other observers have had an opportunity to apply the provisions of the agreement to concrete conditions existing in their own spheres, since announcement of the details a week ago. In some instances the reaction has been unfavorable; in the majority, however, the agreement is regarded as more beneficial than otherwise.

It is believed the general effect will be to stimulate international trade. While the actual results cannot be fully determined until the agreement becomes effective on January 1, indications already point to the possibility that it will indirectly lend impetus to trade between Canada and the United Kingdom as well as between Canada and the United States.

One effect of the agreement is the outlook for heavy importations of United States goods into Canada after next January 1. Reduced tariffs do not apply until that date, and The Post understands that heavy orders for goods are being placed with U.S. firms, with instructions to withhold shipment until January 1.

The result may be a slackening in December business, but with a corresponding increase in January import trade. Higher prices are indicated by reports that some U.S. manufacturers are increasing prices on many hardware lines but this, it is explained, is not due to the tariff changes, but to the rising trend of prices in general.

* * *

Forward Buying

Uncertainty exists, however, in the hardware trade with regard to the ultimate effect on prices. Doubts are expressed whether price changes will follow on articles subject to the reductions of 2½ or 5 per cent in tariff, or even, in some cases, where the reduction is as much as ten per cent. Some of these articles it is pointed out, sell at approximately the same prices in Canada and the United States, and in some cases the Canadian price is lower.

Nevertheless, uncertainty as to whether these products will be affected may have a tendency to restrict forward buying until the situation is clarified and dealers feel more confident in placing orders.

Dealers whose requirements are small are particularly cautious in this connection, preferring to withhold commitments until they are able to see what policy is being followed by the larger buyers between now and the end of the year.

* * *

Tourist Purchases

Definite objection is being voiced, however, by Canadian border retailers to the tourist purchase concessions, according to Canadian Grocer. These retailers feel that harm may result if Canadians can cross to the U.S. as frequently as they wish, for the express purpose of making purchases. Also, Canada will have to be more strict than the U.S. in enforcing border regulations relating to returning tourists, it is felt, or Canadian business establishments are likely to suffer from the effect of the new regulations.

In contrast, U.S. regulations are so elastic that several members of a family may make purchases as tourists in Canada, and no time factor is involved in their stay in Canada.

The balance may be in Canada's favor through another factor. Many more U.S. visitors come to Canada than there are Canadians visiting the U.S. and on an increasingly large number of Canadian articles of equal quality, prices in Canada are as low or lower than those in the U.S. Under these conditions there is little or no incentive for Canadians to make their purchases in the U.S.

* * *

Lumber Trade Benefits

Although United States lumber interests "strongly resent the agreement," according to the **Canada Lumberman**, the picture from the Canadian side is quite different. "The trade agreement will ultimately benefit both countries," says W. R. Beatty, pres. of the Canada Lumberman's Association, adding that, "During the next two years I look forward confidently to increased lumber sales through our friends to the south. Under normal conditions the United States needs Canadian lumber and the Canadian industry needs the United States business."

The comment is typical of many others. While there is some concern over the quota provisions, in view of the fact that the quota of 250 million feet is only about ten per cent of the normal production of B.C., it remains to be seen how this factor will affect the general situation. In 1929, British Columbia exported more than 600 million feet of lumber to the United States and the quota would allow only about 40 per cent, of that amount. The quota is regarded in Canadian lumber circles as definitely safeguarding the interests of U.S. lumber concerns.

* * *

Broadened Markets

Business Papers Division of the MacLean Publsihing Co. says: "Specific lines of industry are bound to feel some effect of the tariff reductions, but these adjustments will be more likely to result in a switching of certain Canadian imports from overseas countries (other than the British Empire) to the U.S. rather than a switching away from Canadian-made products to imported ones.

"Selection of merchandise has been rather narrow in Canada during recent years since the markets were virtually closed to imports. It is doubtful if this is a good condition from any standpoint. Department and chain stores having buying offices in other countries have been able to maintain their purchases of such lines to some degree whereas the regular trade has been largely denied them since tariffs discouraged the manufacturers from sending sales representatives to this country. Now this trade gives promise of being reopened and already the salesmen of some U.S. concerns are in this country seeking out opportunities to resume business dealings. This may not be an unmixed blessing, because while Canadian manufacturers will not be placed at any greater disadvantage than existed five years ago—when they demonstrated their ability to do a much bigger volume of business than is available today—a certain premium will be put upon originality in style and design and there will be encouragement of more aggressive selling measures. This always creates a more healthy condition of trade, providing of course that relaxation of customs regulations is not carried to the extreme that our chief employing industries are not thrown into direct competition with foreign manufacturers desirous of using this country as a dumping ground for surplus stocks. Price battles are a common occurrence in the U.S. today and there must be fair protection against their inroads into this country.

"On many lines, even those where the maximum tariff cuts have been made, little fear of the result is felt by Canadian manufacturers. In many cases Canadian prices are as low or lower than U.S. prices and a small change in tariff rates is therefore of no consequence to them. To what extent lower prices will be available to the Canadian consumer, remains to be seen when the agreement is working and U. S. manufacturers name their laid down prices in this country."

* * *

London View Favorable

Apprehension over the Canadian-U.S. agreement changed to pleased surprise in London when details were made known, for the agreement has conferred unexpected advantages on British export trade, according to advices from London.

Revision of the Canadian customs regulations benefits British as well as U.S. exporters, and the wholly unlooked for cut in U.S. duties on Scotch whisky caused jubilation among distillers. The distillery interests, it may be noted, have been bitterly disappointed over their U.S. sales since repeal of prohibition, and the reason universally given was the prohibitory U.S. tariff on foreign liquors.

Government circles in London likewise were in accord with the principle of lowered tariff barriers, as a matter of world policy, and officials pointed to over a score of reciprocal pacts concluded in recent years as evidence of the present government's stand on tariffs.

* * *

Washington Welter

From the mass of comment, opinion, invective and praise emanating from Washington in connection with the agreement, it is obvious that the loudest condemnation and the most vocal support of the agreement are both strongly tinged with a political flavor. Most of the reported observations of leading political figures in the capital and elsewhere were evidently designed primarily for home consumption.

For the most part the agreement has been apparently well received, says Tom King in "Washington Week by Week," a newspaper review of Washington events. He adds significantly, that most of the run-of-the-mine congressmen are thinking far less of the Canadian reciprocity plan than about the Townsend Old-Age Pension Plan, which promises to become a lively issue in a great many districts.

* * *

Higher Than 1930 Tariffs

The Globe, Toronto, draws attention to the fact that duties which U.S. products will pay under the new agreement are higher, in many instances, than the duties in force prior to 1930 when Hon. Charles A. Dunning brought down his last budget.

Thus, while U.S. products are admitted on intermediate or most-favored-nation tariffs, a score of major items will have to scale a higher tariff when the agreement comes into force than they did when the Liberals were in power before. Farm implements are among the articles cited.

* * *

Economists Praise Pact

Economic authorities at the University of Toronto, for the most part praise the new trade agreement. Definite estimates of the value of the pact were reserved, pending actual demonstration of the operation of the agreement, but faculty members expressed the view that improvement would follow in Canada's basic industries and would ultimately prove of benefit to all sections of the country.

* * *

Many Goods Affected

Trade and industrial leaders reporting this week to **Hardware and Metal** made the following comments on the U.S.-Canada trade agreement which may be summarized as follows:

Tools—Much depends on the classification under which these are allowed to enter Canada. If included in a basket item the reduction in duty will be from a 35 to a 25 per cent basis.

Household Lines—Importations of many items not now made in Canada and permitting a much wider range is anticipated. This will give consumers better choice at attractive prices and dealers a wider selection. Much lower prices to consumers not looked for.

Farm Hardware—Expect sales to be stimulated as farm buying power improved.

Woven Wire Fence—Manufacturers expect benefit through increased rural buying power.

Oilcloth and Linoleum—Strong protest made to Ottawa against placing this item on intermediate list which it is said cuts protection by as much as 25 to 50 per cent.

Cordage—No important effect except indirectly through better farm buying power. Prices in Canada said to be now lower than in U.S.

Iron and Steel Items—Little effect expected for materials in semi-finished form. On manufactured items the effect will mean considerably lower prices.

Perforated Metals — Reductions of duty from 35 to 25 per cent considered by Canadian manufactnrers seriously affecting manufacture of screens for mines and different industrial plants.

Wallpaper—Removal of 2 cents per roll specific duty thought important by manufacturers in letting in cheap competitive papers from U.S. ranging in price from 5 to 25 cents a roll.

Electro-plated Ware—Dealers see laid-down costs reduced 10 per cent on this line.

Axes.—U.S. imports expected to be stimulated, though U.S. prices higher in some cases.

Brushes—Cut in duty from 40 to 30 per cent expected to stimulate U.S. imports.

Roofing—Higher prices in U.S. expected to offset tariff cut from 35 to 25 per cent.

Chains—Canadian manufacturers expect no change, according to one manufacturer since Canadian prices are based on the British tariff which is much lower than the new U.S. duty.

DIVIDEND NOTICES

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the ninety-first quarterly dividend of one and three quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum for the quarter ending February 28th, 1934, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of December, 1935, and cheques will be mailed January 2nd, 1936.

Books not closed.
By order of the Board,
P. W. HOLLINGWORTH,
Secretary-Treasurer.
Montreal, Que.
November 26th, 1935.

The Cariboo Gold Quartz Mining Company Limited

(Non Personal Liability)

Notice is hereby given that a dividend of 2½ cents per share (being at the rate of 10 cents per annum) on the paid-up capital stock of the Company, has been declared for the quarter ending 31st December, 1935, payable the 2nd January, 1936, to shareholders of record at the close of business on December 21st, 1935.

By Order of the Board,
J. R. V. DUNLOP,
Secretary-Treasurer.

The Cariboo Gold Quartz Mining Company Limited

(Non Personal Liability)

Notice is hereby given that the Transfer Books of the Company will be closed from December 21st to December 31st, both days inclusive.

By Order of the Board,
J. R. V. DUNLOP,
Secretary-Treasurer.

NOTICE

The Ontario Municipal Board

Notice is hereby given that the Municipality of the Town of Blind River has become subject to the provisions of Part III of "The Department of Municipal Affairs Act, 1935," by an Order of The Ontario Municipal Board bearing date the Nineteenth Day of November, A.D. 1935, and from and after the first publication of this Notice in the Ontario Gazette, all actions or proceedings against the said Municipality are stayed, and thereafter no action or other proceeding against the said Municipality shall be commenced or continued, nor shall a levy be made under a Writ of Execution against it without leave of The Ontario Municipal Board.

Dated this 19th day of November, A.D. 1935.

WM. BRODIE,
Vice-Chairman of the
Ontario Municipal Board.

Wallace Says Trade Pact Benefits American Farmers

Head of U. S. Agricultural Department Sees No Loss Even to Cattle and Dairy Interests.—Pictures Big Trade Boost

Taking exception to those American alarmists who predict dire results for the United States farmer as a result of the recent trade pact with Canada, Henry A. Wallace, U.S. secretary of agriculture states that the agreement promises benefit.

Expects Big Things

"A large part of the decline in our agricultural exports to Canada from $50 millions to $15 millions in the past five years should be recovered," said Mr. Wallace in a press release from Washington. "In addition, the domestic market for farm products should expand on account of the increased domestic payrolls," he added. "The United States has always had a greater volume of trade with Canada than with any other country except the United Kingdom," Mr. Wallace pointed out.

"This extremely profitable mutual relationship amounting on the average to over one billion dollars a year was rudely broken by our tariff act in 1930 (Hawley-Smoot tariff) and by the retaliatory Canadian tariff shortly thereafter," said Mr. Wallace. "It is my opinion that the new trade agreement with Canada is beneficial to all people of the United States and especially to farmers."

Reductions Moderate

Referring apparently to cattle and dairy interests in the states which have been particularly vociferous in their denunciation of the agreement, Secretary Wallace states that the tariff reductions on these large imports of Canadian agricultural products are moderate. In addition, he explains, there are quota restrictions of such a nature that imports from Canada cannot affect the American price structure by more than one per cent. "This small effect in my judgment will, as a rule, be more than offset by increased payrolls of industries established along the northern border and in the northeastern states."

Double Protection

Mr. Wallace apparently looks upon the quotas as a sort of double protection. On the one hand they prevent imports beyond a certain figure and also permit a certain control over production by both Canada and the United States. The clause governing the quota and permitting certain further restrictions under certain circumstances, he argues, provides that if either country undertakes to control the domestic production or marketing of any commodity it may also limit the quantity of imports of that commodity.

Order-in-Council Tariffs To Disappear on 22 Items

Further Result of Canada - U. S. Trade Agreement Will Include Cancellation of Discount Control on Automobiles and Radios After Jan. 1

From Our Own Correspondent

OTTAWA.—The position of the order-in-council tariffs has been somewhat obscured and confused in the welter of information hitherto published with respect to the new Canada-U. S. trade agreement.

The full list of these tariffs now in effect was published in the Post October 3 and comprised 35 valuations, plus three orders controlling discounts, and a few valuations based upon cost of production investigations carried on at foreign factories.

Of the total, it is now learned that 22 will be repealed as a result of the trade agreement. Repeal will be concurrent, with the coming into force of the agreement on Jan. 1.

To Repeal Orders

The orders to be repealed cover: meats, eggs, frozen, desiccated and powdered; eggs in the shell, dried loganberries, cooperage stock, lime, hardwood doors, women's and children's clothing, fabrics of cotton or artificial silk, fringes, gimps and tassels, electric light fixtures, lamps and shades, cut roses, canned asparagus, baby chicks, dried peas, dried beans, poultry, livestock, canned salmon, sugar of milk.

The discount control on automobiles, radios and softwood doors will also come off.

Orders in Effect

When this has been done, the following orders will remain in effect: fruits and vegetables (seasonal tariffs which are lowered but not eliminated by the agreement); wicker furniture, metal pot cleaners, knitting machine needles, refined granulated sugar, wire rope, cotton wiping rags, umbrellas, thumb tacks and furniture nails, sheet rubber goods, wood lead pencils, wool jersey cloth and cotton stockinette, casein, dried egg albumen and rubber footwear.

May Rescind Others

The fact that these orders are not definitely condemned in the agreement must not be taken to mean that the Government will retain them. On the contrary, the tendency, very distinctly, is either to rescind or reduce all of them. Undoubtedly the rubber goods order has been held up pending negotiations with Japan and is most likely to be done away with as a result of a Japanese-Canadian trade war settlement. The wire rope and jersey cloth orders apply against British goods and, in view of the recent decision of the Exchequer Court, are certain to fall.

Government Policy

In fact, one of the most important passages in the official trade agreement documents published on November 18, dealt with the general policy in regard to order-in-council tariffs. This passage has been entirely overlooked by the press although it definitely and finally pronounced the policy which the King Government will follow in this matter of order-in-council protection.

The passage occurs in the letter written on Nov. 15, by Hume Wrong of the Canadian legation to Cordell Hull. It states that the Customs Act will be amended at the 1936 session to provide:

1. That advances in selling cost (such as the $1.50 per doz., advance in the price of imported hats) will be made possible only when similar advances in cost are part of the normal sale policy of manufacturers in foreign countries. This means, in effect, that arbitrary advances in import prices will disappear.

Forbid Discount Control

2. Control of discount rates will be forbidden save when foreign manufacturers seek to grant a larger one to Canadian importers than they do their own distributors. This puts the automobile, radio and softwood doors discount orders out of court entirely.

3. Before imposing valuations under section 43 of the act, the Government will have to be satisfied that imports, in the absence of such a valuation, operate prejudicially and injuriously against Canadian manufacturers. And importers and consumers will be given the right to appeal from such valuations to the tariff commission which will make its "findings" public. Implicit in this statement is the fact that the tariff commission is to be given the quasi judicial status it was generally thought to possess prior to the reference to the Supreme Court of Canada in the spring of 1934. There is no escape from the fact, which is implicit in the language used, that the commission is to act as a court of appeal over the department and the Government.

"Made in Canada"

The words, "made in Canada" are going to be defined as meaning the production of any kind of goods in "commercial" quantities. This will make impossible any repetition of the famous tinplate incident of a few years back.

Obviously, but one kind of order-in-council tariff will survive this revision of the Customs Act. The Government will still have power to impose valuations for duty where Canadian manufacturers are actually menaced. But the power will be hedged about in such a way that abuses of it will be extremely rare.

Few Tariff Complaints But More Are Expected

From Our Own Correspondent

OTTAWA.—Officialdom is struggling feverishly to organize for operation on January 1 of the United States-Canada trade agreement. On that date, Canada extends to the United States the intermediate tariff and over twenty of the forty odd order-in-council tariffs now in force are to be rescinded.

To date, the agreement is regarded by the cabinet as a popular one. Enquiries reveal that there is tremendous interest on the part of manufacturers, retailers, importers and distributors with respect to the reductions in tariff on their particular lines. There have been a few complaints and these have come chiefly from the automobile and farm implement industries.

Complaints Expected

Whether the manufacturers are satisfied that the scaling down of tariff—as between the general and the intermediate schedules—will not injure them, or whether they have not yet discovered what the change actually involves, will probably not be known for another week or two.

In ministerial circles there is a feeling that there will be no opposition. But in administrative circles, among officials who have been handling tariff matters for years, it is believed that the roorback will not be much longer delayed.

Many Enquiries

So far as attempting to explain the effect of the tariff reductions goes, the National Revenue department is quite unable to cope with the enquiries. One editor wrote to the department and received in reply a copy of the tariff act. The only way a true perspective can be obtained is by checking the two schedules and all of the 800 items odd in each of them.

In a general sense, every concession granted to the United States which brings the tariff below the intermediate rate will apply at once to every country trading with Canada on a most favored nation basis. This, in effect, covers practically every large non-British country in the world, with the exception of Russia and a few European nations.

Via U. S. Ports

So far as imports are concerned, the agreement will enable all goods entering Canada on the most favored nation basis to be shipped in bond via United States' ports. Some years ago Parliament decreed that the advantages of the preferential and intermediate tariffs could be obtained only by shipping through countries enjoying these advantages or direct to Canada.

After January 1 it will be true that preferential tariff imports (still by far the lowest schedule of the tariff) must come direct to Canadian ports, but intermediate tariff goods will be able, for the first time, to come via American ports.

Metal Prices

New York—Nov. 26—
Copper: Electrolytic spot and future, $9.25.
Silver: 65⅝c.
London—Nov. 26—
(Long Ton)—
Copper: Electrolytic spot, £39 5s; future, £39 15s. Standard spot, £35 5s; future, £35 12s 6d.
Tin: Spot, £222; future, £212 2s 6d.
Lead: Spot, £18; future, £18.
Zinc: Spot, £16 2s 6d; future, £16 5s.
Gold: 140s 11d.
Silver: 29$\frac{1}{16}$d.
Canada—Nov. 26—
Gold: $35.13.

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B. C. NEWSPRINT TO SELL AT PRICE OF MILLS IN EAST

But Increase Will Not Offset Higher Production Costs

From Our Own Correspondent

VANCOUVER.—Pacific coast newsprint mills will follow the leadership of the east in adopting a new basic price, it was indicated by mill executives this week. No attempt will be made to maintain a higher level than $41 a ton unless the unexpected happens and a larger increase is authorized in the east.

Officials of Powell River Company, largest producer of newsprint in British Columbia, stated that one dollar a ton increase was quite inadequate to offset increasing costs of production, but that it marked the first advance in years and for that reason was to be welcomed.

Exporters Hopeful

Currency uncertainties, exchange fluctuations and tariff embargoes have interfered with export of B. C. pulp to the Far East, but newsprint shipments have not been affected. Advices from Ottawa indicating that the King government would move toward ending the trade war with Japan were cheerfully received by pulp manufacturers.

Lawrence Killam, president of B. C. Pulp & Paper Company, which has been an important exporter of pulp to Japan, announced a $200,000 plant improvement programme at the company's two mills at Port Alice and Woodfibre.

The bondholders of B. C. Pulp approved plans for payment of $100,000 on the company's first mortgage bonds and $100,000 into the first mortgage sinking fund.

Meanwhile plans are proceeding for construction of a $5,000,000 rayon pulp plant at Prince Rupert under the direction of Frank L. Buckley, financed by San Francisco capitalists.

CANADIAN GOODS MOVING RAPIDLY INTO U. K. MARKET

Export Trade is Sharply Accelerated in October Peak Since 1928

Growth of intra-Empire trade and accelerated movement in sales of Canadian products to Great Britain, are reflected in latest available data concerning Canadian export trade in October.

Canadian exports last month reached a total of $84.9 millions, and of that total, more than half is represented by sales of Canadian products to Empire countries. The actual figure is about $50.2 millions, with the balance of $34.7 millions going to foreign countries. The comparison is interesting in view of the recently signed Canadian-U. S. trade agreement, since the increase in export figures for both Empire and foreign countries over the same month last year indicates that the upward trend already in evidence may receive further impetus when the new agreement with the United States becomes effective on January 1.

Gain of 60 Per Cent

Exports from Canada to Empire countries in October, 1934, totalled $38.5 millions, so that the figures for last month, revealing a gain of $11.6 millions are an improvement of almost 60 per cent. Trade with foreign countries also increased, about 20 per cent, from the October, 1934 total of $29.1 millions to $34.7 millions.

United Kingdom purchases of Canadian goods led all other individual countries, according to the compilation of the Dominion Bureau of Statistics. The United Kingdom purchased $42.8 millions of Canadian products during October or more than half the total represented by sales of Canadian products to Empire countries. A year ago the figure for the United Kingdom was $32.5 millions. Last month represented an increase of $10.3 millions or 31 per cent.

Alex Beaton

New Life Officers President Has Detached, Philosophic View — West Highland Ancestry

By KENNETH R. WILSON

Last week at its 42nd annual meeting, Hon. Chas. A. Dunning, Canada's new Minister of Finance, urged the Canadian Life Insurance Officers' Association to be proud of the fact that they were Canada's biggest business.

He stressed the point that "bigness" was not necessarily "badness" and that as trustees of the largest single accumulation of wealth in the country, the life insurance companies should not be afraid to get on the housetops and do a little crowing about their trusteeship and the magnificent way in which they have maintained it.

A staunch supporter of this view is Alexander Hector Beaton, president of the National Life Assurance Co., who sat on Mr. Dunning's right hand by reason of the fact that he had just been elected president for the coming year of this august life insurance body.

Lawyer by Profession

Like many another, Mr. Beaton entered the insurance business via the legal route. For over 20 years the company's solicitor, he has been a member of the board of directors for 15 years and president for the past ten. His father-in-law, Elias Rogers, was one of the original founders of the company along with the late Frederick Sparling who until his death a few weeks ago had piloted the company through thick and thin for upwards of 37 years.

Thus, for the past ten years, Alex. Beaton has been one of the few active, working presidents in the life insurance business. His primary interest is the investment policy and problems of the company and all his time and energies are devoted to this organization except (as he remarked to me the other day), "For a few deadhead clients who still think I'm the best lawyer in the country because I don't charge them a fee."

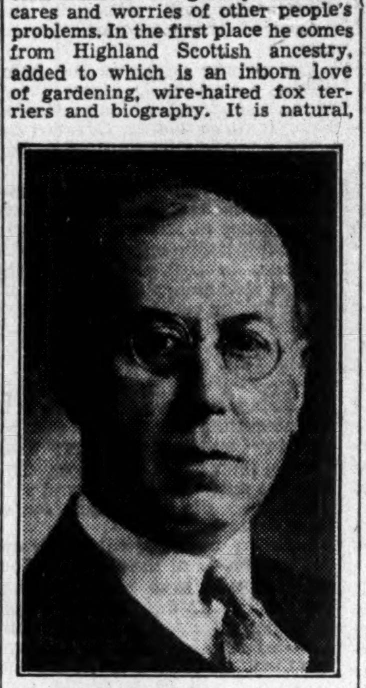
New Organization

Mr. Beaton will be the first president of the Canadian Life Insurance Officers' Association to enjoy the new set-up whereby this body becomes separated from its sister group, the Dominion Mortgage & Investment Association and sets out upon new and wider seas under the leadership of R. Leighton Foster, K.C. as general counsel.

It is the existence of this new executive body which finally persuaded Mr. Beaton to take over the presidency. For Mr. Beaton feels strongly that the tremendous amount of legal and company spade-work that has fallen to the lot of this association in recent years should be handled by a competent fully trained staff and not be thrown back on to the willing shoulders of individual company executives. He envisages an association office which will accept in future much of the responsibilities that have previously fallen on a few honorary officials.

Takes Things Quietly

Several things lie behind this unwillingness of Mr. Beaton to concern himself too greatly with the cares and worries of other people's problems. In the first place he comes from Highland Scottish ancestry, added to which is an inborn love of gardening, wire-haired fox terriers and biography. It is natural, therefore, that Mr. Beaton prefers to take a detached philosophic view of life rather than be caught up in the swirl of an association whirlpool.



ALEXANDER BEATON

Another aid to the detached, philosophic viewpoint is the quiet spaciousness of his mid-town, National Life office. Mr. Beaton prides himself that the health and happiness (not to say the efficiency) of every one of the company's staff has been immeasurably improved since the beautiful new building was built and occupied on broad University Avenue, away from the hubbub of downtown Toronto.

Scottish Ancestry

Give Mr. Beaton a chance and he will reminisce for hours on one of his pet hobbies—his west Highland ancestry. He will tell that the Beatons have been famous around the Island of Mull on the west Highland coast for six or seven hundred years; that the Gaelic name for Beaton is MacBeatha and that land deeds are in existence back as far as 1300 signed by one Fergus Beton.

Mr. Beaton himself has broken somewhat away from the tradition of his ancestors, for his forebears practised the profession of medicine on the Island of Mull for some 300 years. His grandfather came to this country in 1830 and his father (who for 35 years was medical superintendent at the mental hospital at Orillia) learned the rudiments of his calling at the old Rolph School of Medicine at Toronto 70 years ago.

Longevity Record

Mr. Beaton also likes to talk of the amazing longevity of his forebears. Thus, his grandfather was one of a family of seven which achieved the amazing average age of 92 years and three months. The black sheep of the family was his grandfather's sister who was thoughtless enough to die at age 80 and thus pull down the family average considerably.

Married Quaker

By marrying a daughter of Elias Rogers of Toronto 35 years ago, Mr. Beaton links a famous Quaker family to his own Scottish Presbyterian lineage. He prides himself, however, that he turned his wife into a good Presbyterian.

At their Toronto home, he specializes in fruit trees of which he has over 170, while his wife looks after the floricultural end of their fine garden. When gardening can no longer be enjoyed he "wallows" (to use his own expression) in Ludwig and other modern biographers.

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LIFE OFFICERS DO STOCK-TAKING AT ANNUAL MEET

Ford S. Kumpf Explains Reason for New Organization

Association matters, past, present and future, came under scrutiny at the 42nd annual meeting of Canadian Life Insurance Officers Association at Toronto last week. A record attendance, at what is usually a cut and dried affair, found much opportunity for amusement in the quick, contagious humor of Chairman Ford S. Kumpf, retiring president of the association.

The meeting was something of a parting of the ways. For 15 years the association has gone quietly on its way under the guidance of secretary-treasurer John Appleton, who combined at the same time a similar executive office for the sister body, the Dominion Mortgage & Investment Association.

On New Track

Starting almost immediately, the life association is now to branch out on its own with greatly enlarged staff, functions and offices, under the aggressive leadership of R. Leighton Foster, K.C., former superintendent of insurance for Ontario.

Thus, Mr. Kumpf chose wisely to review the important functions this association now carries on in the life insurance world, and show that its present task and future potentialities demand a larger, broader organization in order to meet increased responsibilities.

Few Work For Many

"Our legislation committee," said Mr. Kumpf, "reviewed last year upwards of 1,100 Canadian legislative measures, of which 75 received detailed examination by the executive committee. The nine committee members undertook this on behalf of all member companies (45 in number) and their labors directly benefit all companies.

"It has thus developed," he continued, "that members of our executive committee have literally had to manage as well as direct the affairs of our association. Directors or executives should, however, be concerned with questions of policy which should be settled by them and carried out by executive officers, each a specialist in his own field.

"We are determined to carry the parallel of this organization which we now have in our own individual companies into the organization of our association."

He announced Miss Edna F. Newton had been appointed treasurer and assistant secretary, effective Jan. 1 next, and that the association was now seeking the services of a young actuary to become secretary and actuary of the association.

Highlights of a 47-page printed report embracing activities of the various committees of the association during the year included announcement that one new company, (Ancient Foresters Mutual Life Insurance Co.) has been added to the association roster, bringing the total to 45, representing assets of $2.3 billions and business in force of $9.3 billions.

Add Weekly Papers

Announcement was made by J. F. Weston, managing director, the Imperial Life Assurance Co., and chairman of the institutional advertising committee of the association, that plans for 1936 include recommendation that the class "A" weeklies, some 30 in number, be added to publications receiving institutional advertising in 1936. The theme chosen for the 1936 campaign is the placing of more emphasis on the "need of policyholders to restore and increase their life insurance estate."

Recommendations were made by J. G. Parker (Imperial Life) as representative of the insurance Joint Committee with a view to strengthening control over part time and probationary agents.

Report of the nominating committee promoted A. H. Beaton, president of the National Life, to the office of president; moved V. R. Smith, general manager of Confederation Life, to the first vice-presidency, and G. W. Geddes to second vice-president.

On the executive committee, F. C. Capon, chief agent in Canada for the Prudential of England, replaced W. Clark Kennedy, of Standard Life, who has for years represented the British life companies operating in Canada.

Definitions Set By New Committee

The Financial Post is advised that the recently appointed committee on definitions, or to give the full title, the Joint Committee on Underwriting Powers of Fire, Marine and Casualty Insurers, has already given final approval to definitions and has drawn up articles of agreement. The agreement will be forwarded to insurers very shortly, and the committee hopes that all companies will sign within the next two or three weeks.

The effectiveness of the new venture appears to hinge about the success it meets in having the companies agree to the definitions. It is understood that some of the companies which looked askance at the committee have now fallen into line. The decision as to definitions was unanimous.

Some believe that the new body will eventually draw up policy forms, if not the actual wording at least the meaning. They thus see in it a move toward the standardization of policies.

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Fidelity & Guaranty
Company
TORONTO

A Great Trusteeship

Life Insurance Has Bigger Stake in Canada Than Any Other Single Industry, Says Hon. Chas. A. Dunning

By HON. CHAS. A. DUNNING

Address before the Canadian Life Insurance Officers' Association at 42nd annual meeting.

You are a pretty important body of men. You are important in a manner which is seldom thought of just now. We speak of life insurance in big figures, almost astronomical figures, figures which become so large as to lose their meaning to the ordinary man and woman. When we speak, for instance, of your three million five hundred thousand policyholders in Canada the relation of your trusteeship to the national life of this country is the important consideration arising out of that figure.

This gathering constitutes the greatest economic trusteeship within the boundaries of this country. I believe I am correct in saying that the assets represented here are in the neighborhood of two and a half billions of dollars. That, again, is a figure that is beyond the comprehension of most of us, particularly during years of depression, but it has a meaning in relation to our national picture.

Invested in Country

It means that two and a half billions of dollars of the small amounts collected periodically from those three million five hundred thousand policyholders have been invested in the development of the assets and the industries and the utilities of this country. You have, on behalf of those three and a half million policyholders, a greater stake in Canada than any other single industry.

The President a few moments ago said you were sometimes accused of being one of the "big interests." Let us look that squarely in the face. You are, in fact, the biggest of the big interests—and I do not use the term in any sinister fashion; in fact, I think our expressions in recent years have become rather loose. Since when has a thing been necessarily bad because it was big, or since when has it been necessarily good because it was small? Size never entered into the system of morality which I was taught in my youth. No, but it is important that trusteeship, which is becoming an ever-increasing factor in what is somewhat loosely described as our "capitalistic economy," should be more and more present in the minds of our growing citizens of the future.

System of Trusteeship

There is scarcely a big interest in this country, and particularly the one that is represented here today, which is not in reality an intricate system of trusteeship, acting on behalf of many millions of small investors who rely upon that trusteeship to handle for them their small savings in a manner which would be impractical and impossible for them to do themselves.

(Applause)

That, gentlemen, is, as nearly as I can put it in a simple way, the fundamental background of life insurance; and I do think, sometimes, that in the pressure of business and of one trusteeship competing with another you tend to take for granted this fundamental trusteeship upon which the whole structure rests, and at times forget altogether the necessity of "getting over" to the people the trusteeship idea in relation to the work that you are trying to do for them. Once the people get the idea that you are the "big interests" in a sinister sense, something of an oppressive character, something which moves to thwart the public weal, how can you properly discharge the high moral purpose of trusteeship in acting for others?

Shareholder's Interest Small

There is no other business in this country in which the interest of the shareholder is as infinitesimal as it is in connection with the life insurance business. The interest of the shareholder is ever last, and I believe the day will come when there will be no share interest. The share interest is very small now; so small as to have no bearing on the question of trusteeship in relation to the handling of policyholders' funds.

You are a big interest. Do not be ashamed of it. Demonstrate that you are the kind of big interest that is sound and proper and good; that you are trustees in the public interest, trustees for the people.

How are you going to do that? Tell the public about yourselves in simple language. It is not a bit of use for an actuary to try to explain to the average popular audience the fundamentals back of a life insurance policy; but surely it is possible through this admirable institutional advertising which you have started in recent years to tell the story of life insurance as a vital, fundamental thing. I think you have made remarkable advances, but, if I may be permitted to criticize, I think you have omitted to press in simple terms and language your trustee relationship to the people of this country.

Vitally Important

This is vitally important. If you miss that I do not believe anything else much matters.

You are not necessarily bad because you are big; your bigness might well be a source of pride. Without you and that trusteeship of two and a half billions of dollars the Dominion of Canada would be a vastly different place from what it is today. It has built our railways; it has built our schools; it has built our hospitals and great industrial undertakings; it has been a greater factor in all these things than any other single thing in this country. That you are big is not something for which to apologize; it is something of which to be proud; the accumulation of little sums is mobilized for the benefit of this nation. Gentlemen, tell the people about it!

OCTOBER SALES LIFE INSURANCE DOWN FROM '34

Gains Recorded in Ontario and British Columbia

Sales of ordinary life insurance in Canada showed a distinct increase in October over the last two months, but recorded a 3 per cent drop from the same month a year ago, according to figures prepared by the Sales Research Bureau. The figures are exclusive of annuity and pension bond sales and cover only paid-for insurance.

Compared with a year ago areas recording increases were: British Columbia and Ontario.

Comparative figures follow:

(A) Sales by Areas

	Oct., 1935 $	Oct., 1934 $	Sept., 1935 $
B. C.	2,209,000	2,047,000	2,171,000
Alta.	1,213,000	1,299,000	879,000
Sask.	1,193,000	1,352,000	988,000
Man.	1,862,000	2,008,000	1,402,000
Ont.	13,269,000	12,945,000	11,454,000
Que.	8,594,000	9,404,000	7,721,000
N. B.	687,000	774,000	706,000
N. S.	1,056,000	1,130,000	1,034,000
P. E. I. ..	101,000	115,000	87,000
Nfld.	232,000	268,000	254,000
	30,416,000	31,342,000	26,696,000

(B) Sales by Months, 1933-35

	1933 $	1934 $	1935 $
Jan.	29,928,000	27,728,000	32,988,000
Feb.	28,095,000	29,036,000	28,716,000
Mar.	31,768,000	32,564,000	31,416,000
April	30,591,000	33,296,000	28,900,000
May	31,916,000	33,184,000	27,423,000
June	34,114,000	32,277,000	32,112,000
July	32,165,000	33,951,000	32,155,000
Aug.	29,749,000	26,659,000	26,854,000
Sept.	27,443,000	26,123,000	26,696,000
Oct.	33,434,000	31,342,000	30,416,000
Nov.	36,061,000	35,863,000	....
Dec.	38,967,000	37,691,000	....

Figures represent new paid-for ordinary business by 19 companies having in force at Jan. 1, 1935, 90 per cent of the total business in force in Canada. Figures represent both Canada and Newfoundland and are prepared by the Sales Research Bureau, Hartford, Conn.

Fire and Casualty News

HIGH LOSS RATIO FORECASTS HOIST BURGLARY RATES

Depression and Broad Coverage Hit Companies — Rates Low

Burglary insurance rates are quite likely to rise in the none too distant future

Although no action has been taken as yet, officials of companies writing this type of business feel that it is a bargain at present rates and that the handwriting is on the wall predicting an increase.

For the last two years claims frequency on this line has been mounting steadily. Over the same period, rates have been at the lowest level in some years. A household liability policy, for instance, was formerly written at a rate of $8 a thousand dollars of risk. The current charge is $5. Three years' coverage may now be obtained for $12.50, so that in view of a probable boost in the rate it would appear good business to buy a long-term policy.

Several factors are regarded as having contributed to the increasing loss ratio. Two of these may be traced to the depression. Straitened circumstances have made policyholders more claims conscious; they are more inclined to collect on petty claims. This trend is illustrated in the more frequent claims based on mysterious disappearance, presenting a situation which requires very delicate handling. From the other end, those who have been hit hardest by business conditions provide a new group from which a number of petty criminals have emerged. The greater number of burglaries, compared with pre-depression years, naturally is a factor detrimental to the insurance companies.

Broadening of coverage on burglary policies is also seen as a contributing cause of the less favorable experience. In the last few years, policies have been made much more comprehensive, covering hazards not previously included. An example of this is seen in adding coverage of burglary of outbuildings and also in insurance against the defection of domestic servants.

Joins Gore Mutual

JAMES J. ALLEN

Formerly Canadian manager of the Northwestern Mutual Fire Association, who has been appointed special representative of the Gore District Mutual Fire Insurance Co. Mr. Allen will assume his new position in December.

Insurance Inklings

S. J. FISHER, formerly in the agency business at Belleville, has been appointed inspector and field man for Ontario of the Portage la Prairie Mutual Insurance Co.

W. R. PALLISER, superintendent of agencies at Calgary for the Atlas Assurance Co. and the Essex and Suffolk Equitable Insurance Society, is retiring from active service at the end of this year.

D. G. de C. O'GRADY, inspector for Manitoba and Eastern Saskatchewan for the Atlas and the Essex and Suffolk, has been appointed inspector for Alberta and western Saskatchewan to succeed Mr. Palliser.

W. A. WILSON, formerly with the Caledonian and the Union of Paris in Montreal, is now connected with the Lloyd Adjusting Office.

J. E. PRICE, formerly with the General Accident, Fire & Life Insurance Co., has been appointed Ontario inspector for the Union Fire, Accident & General of Paris.

GORE DISTRICT PLANS EXPANSION WESTERN CANADA

The Gore District Mutual Fire Insurance Co. is expanding westward. The company recently was licensed in British Columbia and is planning to obtain similar certificates in Manitoba and Saskatchewan in the near future. It is understood that no license will be applied for in Alberta.

In addition the organization proposes to expand its Ontario operations. Originally organized in the District of Gore, back in the days when Canada was divided solely into districts, the Gore District Mutual has hitherto confined its activities to Ontario, chiefly in Galt and district, for almost 100 years.

Present plans, it is understood, call for the appointment of agents in the larger cities, with a manager and representative for Manitoba and a representative for Saskatchewan. The British Columbia business will be directed from head office, while J. J. Allen, formerly with the Northwestern Mutual Fire, will be in charge of organizing most of the company's extended operations in Ontario and the Prairies.

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to, Belfast and Liverpool
Jan. 10 ANTONIA

to Plymouth, and London
Dec. 5 ALAUNIA
Dec. 12 ASCANIA
Dec. 26 AUSONIA
Jan. 2 ANDANIA

*Calls at Boston following day
†Calls at Glasgow not Cobh

from HALIFAX*

to Plymouth and London
Dec. 8 ALAUNIA
Dec. 15 ASCANIA
Dec. 29 AUSONIA
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Bank Chat

A Matter of Ratios

AT A time when Canadian bank statements are beginning to make their appearance, the problem of just how to get at the real meaning of the information contained in them again arises.

Statement analysis, claims F. L. Garcia in his new book on the subject, is largely a matter of ratios—liquidity, investing policy and general. For example, a quick picture of the liquidity of a bank may be obtained by taking cash resources and dividing them by demand deposits and by total deposits. Another picture is shown by dividing cash resources plus government holdings by the deposits figures. And still another may be had by dividing quick assets by deposits.

For a bird's eye view of investment policy he suggests three quotients: Divide total securities by total deposits; divide loans and discounts by total deposits; and divide total earning assets and fixed assets by available funds.

* * *

What to Include

JUST what to include under the various heads, cash resources, quick assets and so on, in working out these ratios has always been something of a stumbling block. One leading Canadian financier suggests the following ratio for cash position. Take current gold and subsidiary coin, Bank of Canada notes and deposits, and notes and cheques of other banks. Into this divide the total of savings and demand deposits in Canada, notes in circulation and balances due the Dominion and provincial governments.

Deposits, of course, would be the last total less notes in circulation. Other factors useful in calculating ratios he lists as follows: Investments; Government long and short term securities, municipal securities and other bonds and stocks; advances: Call loans and other current loans in Canada, loans to municipalities and to provincial governments and non-current loans.

The above items are for use in figuring ratios of the banks' Canadian business. If it is desired to include foreign business, foreign curqrencies and deposits elsewhere than in Canada should be included in the calculation of the cash position. Under advances would be listed call and current loans elsewhere and under investments public securities other than Canadian. Deposits elsewhere would, of course, be included under deposits.

* * *

A Little Patience

TWO prominent Canadian bankers were recently asked "What are the chief requisites of a banker?" Both placed in the van of their list the quality of patience—patience with the routine tasks that become so deadly monotonous. These were not men who had not passed through the trials and tribulations of the young banker. Both began with a bank as a junior, one earning a salary of $100 a year, the other $200. Each has now risen to a major executive position: One is president of his bank; the other general manager of another bank. Yet each recalls vividly the hours of routine drudgery which they now see is an essential background for more responsible posts. Bankers may be born and not made, but the thorough training received in early association with the bank has been a powerful force in molding the sane, far-sighted type of men who guide Canadian banking.

* * *

Bank Sweepstake

DOWN in El Salvador, the government has taken a leaf from the experience of Mexico City in authorizing the establishment of "Capitalization of Savings" banks. The general method of operation of these high sounding institutions is as follows: The subscriber agrees to buy, say, one "share," with face value of 100 colones, paying two colones weekly for 50 weeks. At the end of that time he is guaranteed a return of 100 colones plus a small rate of interest. During the 50 weeks periodic drawings are held and the shares drawn are declared fully paid up.

The bank lends the money deposited at fairly high rates of interest but guarantees only a small return to depositors. The difference, after paying salaries and expenses, is used to redeem the "shares" drawn.

* * *

Imperial's Cash Position

ON THE basis outlined above, the cash position of the Imperial Bank dropped from 10.6 per cent to 9.9 per cent in the year ended Oct. 31, 1935. If, however, the ratio of quick assets, including government securities, is taken, a considerable increase in liquidity is recorded.

* * *

Staff Changes

THE **Bank of Nova Scotia** announces the following appointments:

R. J. MOFFAT to be manager at Windsor, Ont.

C. P. FURLONG to be manager at Stratford.

S. MACDONALD to be assistant manager at Ottawa.

W. G. McCLELLAN, formerly manager at Windsor is retiring on pension.

Barclays Bank Director

H. A. STEVENSON

Who has been elected a director of Barclays Bank (Canada). He has been general manager of the Bank since 1933.

IMPERIAL BANK REPORTS SLIGHT PROFITS CHANGE

Earns $17.26 a Share Compared With $17.60 in 1934

Slightly lower net profit and a small addition to surplus summarizes the operating experience of the Imperial Bank of Canada in the financial year ended Oct. 31, 1935.

Net profit, after appropriations to contingency accounts and deduction of provincial taxes, amounted to $1,208,079, as compared with $1,231,993 in the previous year. In terms of earnings per share, this is equivalent to $17.26 as compared with $17.60. After deduction of taxes, write off and contingency reserve, earnings per share amounted to $10.84 as against $10.89 in 1934, out of which $10 per share was paid out each year in dividends. Surplus was increased $11,467 as a result of the year's operations; last year it was increased by $14,493.

Changes in Appropriations

Changes from a year ago in appropriations from net profits include $250,000 written off bank premises and an increase in federal taxes from $170,000 to $199,112. No provision was made for contingency reserve this year, contrasted to $300,000 in 1934. Despite the property write-off of $250,000, the balance sheet shows bank premises unchanged at $6,000,000. It is understood that this amount, which is one-third of the total cost, has been used in financing the new building, The Financial Post is informed that the entire cost of the new head office has been met, the other $500,000 coming from "other funds provided."

The profit accruing from the revaluation of gold, approximately $60,000, has not been included in the operating accounts, being credited to internal reserves.

The comparative income and surplus accounts are as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Oct. 31

	1935 $	1934 $
Net profit*	1,208,079	1,231,993
Less appropriations:		
Dividends	700,000	700,000
Fed. & other taxes .	199,112	170,000
Officers' guar. fund	7,500	7,500
Officers' pens. fund	40,000	40,000
Res. for conting. ..	......	300,000
W/o bank premises	250,000	......
Surplus for year	11,467	14,493
Add: Previous surplus	595,775	581,282
Bal. carried forward ..	607,242	595,775

*After making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made, and, in 1935, after deducting provincial taxes amounting to $91,619.

Effect of Bank of Canada

Several items in the balance sheet have been changed as a result of the establishment of the Bank of Canada. For instance, $2 millions formerly deposited with the central gold reserves and $9.2 millions in Dominion notes are this year shown as $7.1 millions of deposits with the Bank of Canada and $4.3 of Bank of Canada notes. The effect of the Bank of Canada is also seen in the reduction of government deposits from $3.5 millions to $862,000 and in the wiping out of $1,590,000 advances under the Finance Act. Although retraction of note issue of the chartered banks is not effective until 1936, Imperial notes outstanding contracted during the year from $8.4 millions to $6.7 millions.

Total Assets Up

Total assets have increased more than $6 millions to $142.4 millions. Most of the advance can be attributed to the increase in long term government security holdings. These rose $8 millions during the year, but were somewhat offset by a decline of $2.3 millions in securities maturing within two years. Municipal securities were also $500,000 lower. Some improvement is noted in the loan situation, an increase of $1.7 millions in Canadian current loans offsetting a decline of $1.5 millions in Canadian call and short term loans, and an increase in loans to provincial governments more than offsetting a decline in municipal loans by some $600,000.

Non-government deposits rose about $10 millions, of which approximately $3 millions was in interest-bearing deposits. The other main change in the liabilities is an increase of $900,000 in amounts owed to banks abroad and of over $1 million in letters of credit, indicating a more active foreign business.

GENERAL STATEMENT
As at Oct. 31

Assets	1935 $	1934 $
Gold in Can.	417	531,544
Subsid. coin	378,182	
Bk. of Can. notes•	4,264,915	9,283,913
Bank of Can. dep.†	7,066,631	2,000,867
Other banks' notes	296,730	388,510
Govt. & bank notes other than Can.	57,468	38,414
	12,064,343	12,248,248
Circ. fund deposit	470,425	456,723
Other banks' cheques	6,063,285	6,744,666
Due by Candn. bks.	613,019	606,104
Due by other bks.	2,563,155	2,666,986
	9,709,884	10,474,479
Govt. secs. short term‡	1,280,379	3,611,066
Other govt. secs.‡ .	28,117,493	20,126,944
Municipal secs.‡ ..	4,907,569	5,465,265
Other bds. debs. stocks‡	126,584	154,008
	34,432,025	29,357,283
Can. call loans▪ ..	5,534,230	7,012,893
Loans to prov. govts.	5,712,459	3,200,013
Loans to munic., etc.	5,639,163	7,550,298
	16,885,852	17,763,204
Current loans	60,640,424	58,926,933
Non-current loans	265,501	298,333
Real estate	283,764	196,255
Mortgages	419,451	400,037
Bank premises ...	6,000,000	6,000,000
Letters of credit ..	1,551,932	435,067
Other assets	152,702	177,792
	142,405,878	136,272,631
Liabilities		
To the Public:		
Notes	6,689,770	8,375,638
Advs. under Finance Act	......	1,590,000
Dep. by governments:		
Dominion	862,116	3,498,178
Provincial	2,799,195	2,248,389
Dep. by the public:		
Non-inter. bear.	22,339,592	15,353,916
Interest bearing	88,673,699	85,661,460
	121,364,372	116,727,581
To banks abroad, etc.:		
U. K. & foreign	1,988,001	1,083,351
Letters of credit	1,551,932	435,067
	3,539,933	1,518,418
To Canadian banks	1,718,312	2,254,426
	126,622,617	120,500,425
To Shareholders:		
Dividends, etc. ...	176,019	176,431
Reserve	8,000,000	8,000,000
Capital	7,000,000	7,000,000
Surplus	607,242	595,775
	15,783,261	15,772,206
	142,405,878	136,272,631

†Prior to 1935, shown as deposit in central gold reserve.
‡Not exceeding market value.
•Prior to 1935 shown as Dominion notes.
▪Secured by collateral of a sufficient marketable value to cover.

Weekly Bank Clearings

	Nov. 21 1935	Change year ago %	Nov. 14 1935 $
Halifax	$2,726,261	+ 9.2	1,856,710
Sherbrooke	630,921	+ 20.3	573,892
Quebec	5,088,451	+ 19.4	4,150,721
Montreal ...	134,579,704	+ 42.5	76,922,479
Ottawa	58,072,644	+1091.3	15,669,959
Kingston ...	574,794	+ 10.3	493,192
Peterborough	651,784	+ 21.2	652,429
Toronto	197,213,269	+ 58.8	90,185,664
Hamilton ...	4,804,706	+ 32.2	3,685,299
Kitchener ..	1,180,911	+ 10.9	807,778
Brantford ..	973,940	+ 22.5	697,451
London	3,929,130	+ 55.3	2,228,003
Chatham ...	663,191	+ 18.1	403,519
Windsor ...	2,795,754	+ 49.3	1,925,874
Sarnia	607,636	+ 11.0	372,039
Sudbury ...	921,080	+ 53.0	952,795
Moncton ...	843,198	+ 22.5	658,491
Fort William	662,669	— 12.2	506,817
Winnipeg ..	74,773,901	+ 37.7	51,969,785
Brandon ...	378,054	+ 15.7	277,571
Regina	4,780,911	+ 15.6	3,756,905
Saskatoon ..	1,866,329	+ 16.3	1,479,944
Prince Albert	373,374	+ 18.3	307,535
Edmonton .	4,767,030	+ 14.4	3,335,623
Calgary	8,238,653	+ 22.6	6,747,087
Medicine Hat	315,799	+ 22.6	254,614
Lethbridge	534,637	+ 2.3	469,652
N. W'minster	593,645	+ 29.1	495,258
Vancouver .	18,986,408	+ 28.7	13,773,267
Victoria	1,807,892	+ 34.5	......

F. Gordon Osler

Canada Permanent Mortgage Head is Man of Wide Business Interests and Many Public Responsibilities

By SCOTT FYFE

"He is the son of his father."

That is the opinion given by an associate of F. Gordon Osler, recently appointed president of the Canada Permanent Mortgage Corporation. And it sums up in one sentence what would take volumes to properly express in any other way. For the late Sir Edmund Osler was known nationally, and outside Canada as well, as one of the leading financial figures in the Dominion.

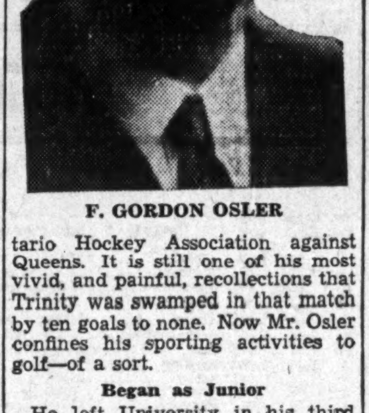
He was one of four brothers, all of whom climbed to the top of the ladder in their respective professions. Sir William Osler was a world-renowned physician and lecturer; Hon. Featherston Osler was for many years a judge of the Ontario Court of Appeal and later president of the Toronto General Trusts Corporation; and the fourth, Britton B. Osler, K.C., became one of Canada's leading criminal lawyers.

Sir Edmund's conservatism in financial matters was one of his outstanding characteristics and throughout his career he was always cognizant of his responsibilities to the country at large. Particularly is he remembered because of his stern integrity. On one occasion he was asked by a bank president for advice in the disposal of some bonds. His reply is typical of his creed: "The best advice I can give you is, never offer the public any bonds that you would not be willing to purchase for yourself, if you had the money."

Sense of Public Responsibility

That policy he ingrained into his children and that quotation is today accepted by his son, F. G. Osler, as the principle on which to conduct his business. He, too, has a keen sense of public duty, and in addition to the many philanthropic bodies to which he devotes a large part of his time apart from business hours, and sometimes during business hours, he quite unostentatiously performs countless acts of kindness unknown to any but the recipients. Business men realize his shrewd insight into financial affairs, too, as his many directorships attest. To public knowledge he serves on the boards of some 15 companies; there are probably a number of other smaller, private concerns which have also sought the benefit of his wide experience.

Born in Toronto in 1874, Mr. Osler has been content to make his home there ever since. He was educated at Trinity College School, and later entered Trinity College. It was while there that he made his nearest approach to athletic fame. As a centre forward of the college team in 1895, forty years ago, he played in the final round of the Ontario Hockey Association against Queens. It is still one of his most vivid, and painful, recollections that Trinity was swamped in that match by ten goals to none. Now Mr. Osler confines his sporting activities to golf—of a sort.



F. GORDON OSLER

Began as Junior

He left University in his third year, because most of his friends seemed to be doing it and also because there seemed to be very good prospects in his father's line, the brokerage business. Moreover, he could not see then that a university degree would be of any value to him in the stock market. He has changed this point of view since and has come to the conclusion that today a university education is almost a necessity. A place was found for him in the firm founded by his father in 1867, Osler and Hammond. But he was not started at a "cushy job" simply because his father was senior partner in the firm. That was not Sir Edmund's way of doing business. He began as a junior at the none too munificent salary of $16.66 a month—$200 a year. When asked now why he chose the brokerage game, Mr. Osler replies with a twinkle in his eye: "I was born an Anglican, I was born a Conservative, and I guess I was just born a broker, too."

He was made a junior partner in the firm just before the turn of the century, having served his apprenticeship in the various subsidiary positions. He is now, of course, senior partner of the firm, and has a son, G. S. Osler, also in the business. G. S. was made a junior partner only last year.

President of Exchange

Mr. Osler recalls his first afternoon on the Toronto Stock Exchange floor; he still has a record book containing the deals completed. During the whole of the afternoon session only five transactions were completed. Later, when the volume of trading had grown considerably, he was elected president of that stock exchange. That was in 1912 and 1913. And in course of time he was elected to the boards of directors of a number of companies whose stock he traded on the floor; such representative Canadian enterprises as Consolidated Mining and Smelting Co., The Steel Company of Canada, The Dominion Bank, of which his father was one of the early presidents and for which the firm of Osler and Hammond floated the first stock issue, Consumers' Gas Co. of Toronto and many others. These activities take up a considerable portion of his time.

Most Awkward Deal

He well remembers the most ticklish situation in his brokerage experience. It was back in the days of the Northern Pacific panic. One of his clients placed an order to sell 400 shares of this stock. The sale was made on the afternoon before the panic and the stock shipped to New York. Through some mishap the train was late and the securities did not reach New York until after the clearing house had closed. Consequently Osler and Hammond were short 400 shares of Northern Pacific stock, which had closed that afternoon in the neighborhood of $125 a share. At the opening of the market on the following morning, the stock had skyrocketed to about $1,000. The wires to New York were kept red hot by messages from the Toronto firm that morning. Finally, much to Mr. Osler's relief the delivery time was deferred, the shares duly arrived and all was well.

Broker Must Be Conservative

Mr. Osler's view on stock brokers and the investment business in general reflects the principles which he has adopted in the conduct of his own. The prime requisite of a broker is, in his opinion, that he be conservative—not a gambler. He should stick to his own knitting, the brokerage business, rather than attempt to deal in speculative ventures. He should not be greedy; he should put his clients' interest before his own. Generally speaking he is of the opinion that would-be gamblers have learned their lesson so thoroughly during the past few years that it will be some time before a speculative boom such as that of 1928-29 will come again, if it ever does. In any event he feels that brokers will exert pressure to restrain any potentially wild market because of the harrowing experience of the one recently suffered.

Other Interests

It was mentioned above that Mr. Osler devotes a good part of his time, aside from business, to public spirited work. Among the activities with which he is identified are the Canadian Red Cross, of which he is honorary treasurer, the Toronto General Hospital, of which he is a governor, and the Synod of the Anglican Diocese of Toronto, of which he is a representative. He also is deeply interested in educational institutions. He has never lost contact with his former colleges, now serving on the board of governors of Trinity College and being a member of the governing body of Trinity College School. In addition, he is on the board of governors of the University of Toronto.

Modest and unassuming, Francis Gordon Osler is carrying on in business and in furthering the welfare of the nation, the ideals and traditions set down by his father.

Bank of Canada Weekly Statement

The Bank of Canada statement for the week ended Nov. 20 reflects the recent activity of the government in selling treasury bills. Advances to the government, which have mounted in the past few weeks to over $29 million, have been paralleled by a rise in deposits of the chartered banks. Last week the advances were cut some $27 million, and bank deposits dropped almost $21 million. Government deposits show an increase of nearly $5 million from the previous week and short and long term investments are up $5 and $3 million, respectively.

Balance Sheet

	—Weeks Ending—	
Liabilities	Nov. 20 $	Nov. 13 $
Capital paid-up	5,000,000	5,000,000
Notes in circ.	96,126,710	97,537,135
Dep.: Dominion ...	26,552,150	21,787,195
Banks	183,347,111	204,033,851
Other	939,765	1,423,597
Total deposits	210,839,026	227,244,643
All other liabs.	2,031,236	1,750,999
Total liabs.	313,996,972	331,532,777
Assets		
Reserve: Gold	181,365,795	181,532,737
Silver bullion	1,686,701	1,668,792
Res. in sterling ..	938,636	193,185
Res. in U. S.	6,927,210	6,770,314
Res. elsewhere ...	10,651	10,659
Total reserve	190,928,993	190,175,687
Subsidiary coin	275,826	259,509
Adv. to govt.	2,222,688	29,224,750
Investments:		
Dom. govt. short.	32,814,371	27,461,003
Other Dom. govt.	84,189,137	81,233,090
Total invest.	117,003,508	108,694,093
Premises	128,065	127,576
All other assets	3,437,891	3,051,162
Total assets	313,996,972	331,532,777
Reserve ratio	62.19%	58.55%

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AGENCIES: EDMONTON REGINA

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ONE IMPERIAL GALLON
ANTI-FREEZE ALCOHOL
A PRODUCT OF CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED
MONTREAL CORBYVILLE TORONTO WINNIPEG

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For Winter Driving

●For YOUR protection Maple Leaf Anti-Freeze is sealed at the refinery, in gallon and quart tins. Now you can be *sure* of getting pure, unadulterated, high-quality Anti-Freeze wherever the Maple Leaf emblem is displayed... watch for this sign of safety! Use this safe Anti-Freeze in your car this winter!

Also "Super" Maple Leaf, an improved, pre-tested and retarded Anti-Freeze is now supplied coloured bright green to prevent adulteration. You can buy with confidence when you buy Maple Leaf Anti-Freeze!

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CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED
MONTREAL CORBYVILLE TORONTO WINNIPEG

OUR WEEKLY MARKET DIGEST
WILL BE SENT ON REQUEST

MARA & McCARTHY
320 Bay Street, TORONTO, Phone: Ad. 9151

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The BANK of NOVA SCOTIA
OVER A CENTURY OF BANKING SERVICE

35-38

Quotations

Montreal, Toronto Listed and Curb Prices

WEEK ENDING NOVEMBER 25

Range 1935 High	Low	Divd. Rate $	Y'ld in % Nov. 23		Sales	Close Nov. 18 or (last)	Week Ending Nov. 25 High	Low	Close
				A					
2.00	.50	.	...	Abitibi	20180	1.15	1.45	1.10	1.40
9½	3		...	Do pref. 6%	3495	5	7	5½	7
6½	3		...	Do. cert. dep.	1147	5	7	5	7
5	5		...	Acadia Sugar	....	5	..	..	..
7	3		...	Acme Glove	....	6½	..	..	..
47	32	3.25	7	Do. pref.	....	46	..	..	..
10	7½	40+20c	7	Agnew Surp.	25	8½	9	9	9
108½	96	7	7	Do. pref.	35	99¾	100	99¾	100
3½	1		..	Alta Pac. Gr.	10	2	3	3	3
29	15		...	Do. pref.	75	19	20	19	20
25	25		...	Aluminium	....	25	..	..	..
2	1½		...	Amal Electric	....	2	..	..	..
18	12		...	Do. pref.	....	12	..	..	..
29¾	16	40c	...	Amer. Cyn. B.	450	29	29¾	29½	29¾
30½	25			Amer Celanese	....	25	..	..	..
52½	51	3.50	6.7	Anglo-Can. Tel. p	45	52½	52½	52	52
18	6		...	Asbestos v. t.	665	15½	16	14½	14½
13¾	8¾	.	...	Assoc. Brew.	680	10	11½	10	11½
110	104	7	6.4	Do. pref.	25	109	109½	109½	109½
4	1½	.	...	Assoc. Can.	....	3½	..	..	..
105½	104½	7	6.7	Atlan. Sugar, p.	15	105	105½	105½	105½
				B					
66½	51½	2.52	4.6	Bank of Canada	337	53	54	53½	53½
135	126	8	6	Bk. Can. Nat.	....	133½	..	..	..
204	152	8	4.3	Bk. Montreal	66	185	185	182	184½
305	245	12	4.5	Bk. N. Scotia	9	267½	268	264	265
235	183	10	4.8	Bk. Toronto	19	204	210	204½	210
11	10	50c	...	Barcelona	....	10½	..	..	..
10	4½		...	Bathurst Pr.	2190	9¾	10	9½	9¾
4½	1	.	...	Do. (B)	497	3½	4½	3½	4
3.00	.50		...	Bawlf Grain	40	1.00	1.00	1.00	1.00
40	17	.	...	Do. pref.	205	17	18	18	18
3	3		...	Beath & Sons	....	3	..	..	..
15	8½		...	Beatty Bros. A	525	12	11	10¾	10¾
95	85	6	6.4	Do. pref.	30	93	94	93	94
7½	2½	.	...	Beauharnois	2857	3¾	4¾	3¾	4¾
98¾	85	4	4.3	Belding Cort.	....	92	..	..	..
125	116	7	5.6	Do. pref.	5	125	125	125	125
140	118	6	4.3	Bell Telephone	963	138	140	138	140
28	13	1.50	6	Biltmore Hats	140	26	26	25	26
110	97½	7	6.5	Do. pref.	11	109	107	105	107
4	3½			Bissell, T. E.	15	4	4	4	4
35	25	.	...	Do. pref.	20	31¾	32	32	32
3½	1¾		...	Blue Ribbon	65	3	3½	3	3½
29	19	2	7.4	Do. pref.	22	26	27	26½	27
30½	27½	2	6.6	Brant. Cord. p.	125	30	30½	30½	30½
10¾	7½	.	...	Brazilian Tr.	82473	9¾	10¾	9½	9¾
1.70	.35	.	...	Brew. & Distil.	27577	1.50	1.70	1.50	1.60
4.25	1.00	.	...	Brewing Corp.	5084	2.25	2.50	2.25	2.50
22¾	8	1.50	13.5	Do. pref.	2262	10¾	11½	10¾	11½
14	11	30c	2.7	Bright, T G.	....	11	..	..	..
77½	75	6	8	Do. pref.	....	75	..	..	..
16¾	13¾	80c	4.9	Brit. Amer. Oil	8850	16¾	16¾	16	16
1.75	50	.	...	B. C. Packers	2425	1.10	1.10	1.00	1.00
25	13			Do. pref.	1040	25	25	23	23½
30½	21	1.50	5.2	B. C. Power A.	1029	29½	29¾	29	29¾
5	2			Do (B)	618	4½	5	4½	5
18¾	14¾	1.20+10c	7.8	Bruck S. M.	1265	17	17	16	16
34½	25½	1	3.3	Building Prod.	400	30¾	31	29¾	30
38½	29¾	2	5.2	Burt, F. N.	430	38	38½	37½	38
				C					
84½	80	6	7.5	Calgary Pr.	15	80	81	81	81
5½	2		...	Canada Bread	2030	4	5	4	4¾
92	63	1	...	Do. pref. A.	10	90	91	91	91
34	17		...	Do. pref. (B).	361	30	34	30	34
9	5½	20c	...	Canada Bud	845	7	7	6¾	7
8½	5		...	Canada Cement	2723	6½	6¾	6½	6½
64½	49¾		...	Do. pref.	2139	58½	59½	58	59
69½	55	1.50+50c	3.4	C. & D. Sug.	5	58¾	58½	58½	58½
16¾	8½		...	Canada Dry	13100	13½	13½	12½	12½
7	2		...	Can. Forg. (A)	....	6	..	..	..
1½	1½	.	...	Do. (B)	....	1½	..	..	..
35	18		...	Canada Iron	....	30	..	..	..
55	50	3	5.9	Do. pref.	....	51	..	..	..
450	450	20	4.4	Canada Life	....	450	..	..	..
36	29	1.50+50c	5.6	Can. Malting	6065	35¾	36	34½	34½
24½	17½	1.20	5	Can. Nor. Pr.	661	23¾	23¾	23	23¾
111	98½	7	6.4	Do. pref.	105	110	110	109	110
82½	50	75c	...	Can. Packers	245	82	81	80	80
115	110	7	6.3	Do. pref.	5	111	111	111	111
85	60		...	Can. Paper pf.	....	85	..	..	..
.05	.05		...	Can. Paving	....	.05	..	..	..
3¾	2		...	Do. pref.	10	2	2	2	2
150	119	8	5.6	Can. Perman.	47	128	142	135	135
2¾	1		...	Can. Steamsh's.	35	1¾	1¾	1¾	1¾
11¾	6		...	Do pref.	330	8	8½	8	8½
29	23	1.60	6	Can. Vinegars	345	27	27½	26½	27½
20	13½		...	Can. W. Cable	291	13½	20	14	20
8	4½		...	Do. (B)	560	6	8	6½	8
2½	1		...	Can. Bakeries	....	2	..	..	..
28	13		...	Do. pref.	....	28	..	..	..
169½	120	8	5.6	Can. Bk. Com.	129	145	145	140	140
32	26	60c	2	Can. Bronze	455	30½	30½	30	30½
117	110	7	6	Do. pref.	15	114	116	116	116
6¾	3½		...	Can. Canners	....	5¾	..	..	..
94	75	6	6.7	Do. 1st pfd.	18	89	91	90	90
9¾	4½	.	...	Do. 2nd pfd.	1295	7	7	6¾	7
8½	4¾		...	Can. Car & Fd'y	3982	6	6¾	6	6
17	10½		...	Do. pref.	2665	12	13	11¾	11¾
24½	18½		...	Can. Celanese	1699	24	24	23½	23¾
120	100	7	5.9	Do. pref.	149	118	118	118	118
20¾	18		...	Do. Rights	550	19½	20¾	19¾	20¾
32	25	2	8	Can. Convert.	....	25	..	..	..
66	36	4	8	Can. Cottons	110	48½	50	48	50
105	93½	6	6	Do. pref.	127	100	100	100	100
39	19½	75c	...	Can. Dredge	3711	37½	39	37	38½
113	106	7	6.2	Do. pref.	9	112	113	113	113
97	85	6	6.7	Can. Fairb. pf.	29	90	97	97	97
30	18	1.60	6.4	Can. For. Inv.	25	25	25	25	25
107½	103	8	7.5	Do. pref.	....	107	..	..	..
165	145	3	1.8	Can. Gen. Elec.	10	165	165	165	165
6½	6½	40c	...	Can. G. Inv.	....	6½	..	..	..
82½	37	6	11.8	Can. Hyd. El. p	1150	45	51¾	45	51¾
13¾	8	.	...	Can. Ind. Alc.	23217	12¾	12¾	10¾	11½
12	6		...	Do. (B)	6900	10¾	11½	9¾	9¾
198½	178½	4+75c	2.4	Can. Indust. B.	....	193	..	..	..
166½	148	7	4.2	Do. pref.	....	166½	..	..	..
2	2		...	Can. Int. I. Tr.	....	2	..	..	..
25	20		...	Do pref.	....	25	..	..	..
30	21	1	4.8	Can. Lt. & Pr.	....	21	..	..	..
4	2			Can. Locomo	....	2½	..	..	..
2½	1		...	Can. Marconi	27925	2½	2½	2	2¾
15	11	50c	3.7	Canadian Oil	100	13½	13½	13½	13½
127	113	8	6.6	Do. pref.	28	125	125	122	125
13¾	8¾		...	Can. Pacific	25906	12	12½	11½	11¾
.15	.10		...	C. Pr. & Pa Inv.	....	.10	..	..	..
4½	3½		...	Do. pref.	....	3½	..	..	..
2.00	1.00	.	...	Can. Vickers	25	2.00	1.50	1.50	1.50
16	6½		...	Do. pref.	25	10	10	10	10
6	2½	20c+5c	7.6	Can. Wineries	370	3½	3½	3	3½
19½	15	25c▲	...	Can. Wire Box.	265	18½	18½	18½	18½
20	9	.	...	Catelli Mac (A)	405	18½	20	18½	20
2¾	1½	.	...	Do. (B)	..	2½	..	..	..
‡245	245	8	...	Cent. Can. L'n.	..	..			
2.35	55	.	...	Chem. Research	2635	.80	.90	.80	.85
2½	1½		...	City Gas & Elec.	90	1½	2	1¾	1¾
.50	.20		...	Claude Neon	1075	.40	.50	.40	.50
17½	12½	92c	...	Coast Brew.	361	16¾	17½	16¾	17½
9¾	6		...	Cockshutt Plow	4765	8½	9	8½	8½
.95	.45	.	...	Comm. Alcohol	685	.90	.95	.85	.85
1.00	.25	.	...	Conduits	....	.25	..	..	..
61	48	.	...	Do pref.	....	50	..	..	..
17½	11½	20c	...	Cons. Bakeries.	1165	16½	16½	15¾	16
2.25	.70	.	...	Cons. Paper	22921	1.35	2.25	1.40	2.00
7	3		...	Cons. Press	41	7	5½	5½	5½
26½	25			Cons. Sand. pf.	20	25	25	25	25
204	125½	1.25		Cons. Smelters.	4769	195	204	194	103½
193	184	10	5.2	Consumers' Gas	395	190	192	189½	190½
90	30	1.75		Corr. P. Box p.	....	84½	..	..	..
7	5			Cosgrave Brew	....	7	..	..	..
20½	14¾	52½c		Cosmos Imp.	667	20	20	19½	19¾
108	102¾	7	6.6	Do. pref.	20	105	105½	105½	105½
2½	1½			Crown Dom. Oil	50	2½	2½	2½	2½
29	25	2	...	Crow's N. Coal.	....	27	..	..	..
				D					
1	1	.	...	David & Fre. B	....	1	..	..	..
4	1½	.	...	Do. (A)	....	1½	..	..	..
2½	1½		...	De Havilland	....	2	..	..	..
30½	30	.	...	Do. (A)	....	30½	..	..	..
†9	5		..	Disher Steel	....	..	..	..	..
6½	6½			Do pref	....	6½	..	..	..
37¾	13½		...	Distill-Seagram	20089	37	37½	35¾	36½
201½	141	10	5.6	Dom. Bank	20	174	178	175	175
34	24½	1.20	3.7	Dom. Bridge	1733	30½	32½	30½	31½
18¾	14¾	75c	...	Dom. Coal, p.	3275	16½	16½	16	16½
23	17		...	Dom. Engineer	150	23	22	21½	21½
120	90	5	5	Dom. Glass	50	95	100	100	100
145	129¾	7	5	Do. pref.	....	140	..	..	..
.10	.10			Dom Motors	....	.10	..	..	..
36	32		...	Dom. Oilcloth	....	36	..	..	..
1	1		...	Dom Pr Stubs	....	1	..	..	..
85½	80	7	8.2	Dom. Rubber, p	....	85½	..	..	..
6	3½			Dom. St. & C.B	7048	5	5½	4¾	5½
12½	6¾			Dom. Stores	1180	9½	9½	8½	9
7¾	3½			Dom. Tar & Ch	1007	4¾	4¾	4	4¾
72	42			Do pref	506	58	60	55½	58½
82½	60	5	6.9	Dom. Textile	426	70	73	72	72
150	130	7	4.7	Do. pref.	10	150	148	148	148
4½	1½			Donnacona P. A.	....	1½	..	..	..
2.50	1.00	.	...	Do. (B)	230	1.80	2.50	1.75	2.50
5¾	3	.	...	Dryden Paper	540	4¾	5	4¾	5
				E					
2½	1	.	...	East. Koot. Pr.	....	1	..	..	..
14	5	.	...	Do. pref.	....	6	..	..	..
3½	1¾	.	...	East. Dairies	15	3½	3½	3½	3½
20	12		...	Do. pref.	....	20	..	..	..
10	5	.	...	East. Steel	25	10	10	10	10
90½	80	7	7.8	Do. pref.	....	89¾	..	..	..
8	7½	.	...	East. Theatres	....	7½	..	..	..
85	58½	7	8.2	Do. pref.	....	85	..	..	..
3½	1		...	Easy Washing	8	1¾	1¾	1¾	1¾
20	13½	25c	...	Economic Inv.	15	17	18	18	18
†15	15		...	Edmonton D'y	....	..	..	..	..
†80	78½	6.50	...	Do. pref.	....	..	..	..	..
1	1		...	Enamel & Heat.	....	1	..	..	..
12½	7		...	Eng. Electric	5	10	10½	10½	10½
6¾	3		...	Do. (B)	210	6	6	5	5¾
9	6¾	30c	...	European El. A	....	7	..	..	..
				F					
16½	10	50c		Fam. Players	....	16	..	..	..
17	14			Do. Vot. Tr.	....	17	..	..	..
13½	7½	50c	3.9	Fanny Farmer	6302	13½	13½	12½	12¾
32½	23½	50c	1.8	Ford Motors A.	10759	27¾	28	26½	26¾
2.25	.50		...	For. Pr. Secs.	....	.60	..	..	..
14	9¾	.	...	Foundation Co.	1370	13	14	13	13½
8	2½	.	...	Fraser Cos.	984	7¾	8	6½	8
8	1¾	.	...	Do. Vot. Tr.	444	6½	8	6	7½
61	54	6	10.9	Freiman, pf	....	55	..	..	..
4	2			Frost Steel	25	3	3	3	3
89	68	1.75▲	..	Do. pref.	19	80½	89	86	89
				G					
5½	3		...	Gen. St. Wares	655	4½	4½	4	4
55	35		...	Do. pref.	280	45	46½	45	46½
72½	59	62c	...	Goodyear Tire	1030	65	65	63	64¾
55½	51½	2.50	4.5	Do. pref.	398	55	55	54½	55
1¾	1		...	Gt. W. Saddlery	....	1	..	..	..
20	14		...	Do. pref.	....	15	..	..	..
6½	4		...	Gurd, Chas.	204	5	5½	5	5½
100	80	7	...	Do. pref.	....	95	..	..	..
7¾	4½		...	Gypsum Lime	5380	6½	6¾	6½	6½
				H					
5½	3		...	Ham Bridge	265	4½	4¾	4	4½
33	18		...	Do pref.	190	22	24½	22	24
30½	24	1.50		Ham. Cot. pf.	90	25	24½	24½	24½
2½	½	.	...	Ham. U. Theat.	....	½	..	..	..
60	48	4	...	Do. pref.	....	50	..	..	..
3½	2½			Harding Carpet	550	3	3	3	3
13½	10	12½c	..	Hinde & Dauch	1870	12	13½	12½	13
6	5	.		Holt Renfrew	....	5	..	..	..
30	25	.	...	Do. pref.	....	25	..	..	..
.60	15	.	...	Honey Dew	350	.50	.50	.50	.50
8	6	.	...	Do. pref.	10	7	7	7	7
13	9	.	...	H. Smith Pap.	1249	12¾	12¾	12½	12½
110	84		...	Do. pref.	760	107	110	108½	110
35½	28	2	5.7	Humberstone S	71	35	35½	34	35½
11	6			Hunts (A)	....	6	..	..	..
11	7		...	Do. (B)	....	7	..	..	..
103	80	6	7.2	Huron & E. Mt.	62	80	89¾	84	89¾
17½	14	.	...	Do. 20% pd.	60	14½	14½	14	14
5	3	.	...	Hydro Electric.	15	4½	5	5	5
				I					
208½	157	10	5.4	Imperial Bank.	55	181¾	186	183	186
22¾	15¾	50+75c	5.9	Imperial Oil	22849	21½	21¾	20¾	21
14½	12	52½c	3.7	Imperial Tob.	3225	13½	14	13½	14
7½	6½	6%	...	Do. pref.	....	7½	..	..	..
20½	17	1	...	Inter City Bak.	....	18	..	..	..
42	25	3	...	Inter'c Coal	36	40	40	40	40
100	100	8	8	Do. pref.	....	100	..	..	..
4¾	1½	..	...	Int. Hyd. E. A.	24300	3½	4½	3¾	4
6	2	.	...	Int. Metal Ind.	485	3¾	4	3¾	4
45	25	.	...	Do. pref.	....	32	..	..	..
104	99	7	...	Inter. Mill., pf.	91	103½	104	103½	104
40	22½	1	2.6	Inter. Nickel	67085	37¾	40	37¾	39½
4½	2			Inter. Paints	10	2	3	3	3
20	18½	.	...	Do. pref.	....	18½	..	..	..
b4½	1½	.	...	Int. Pa. & P. A.	12400	3	4¾	3	4
b2¾	½	.	...	Do. (B)	4000	1¾	2¾	1¾	2¾
b2	½	.	...	Do. (C)	35000	1½	2	1½	1¾
b20½	4½	.	...	Do. pref.	60145	16¾	20½	17½	18¾
39½	28½	1.50+1	6.7	Inter. Pete.	10523	38	38	36¾	37½
6	1		...	Inter. Power	691	3	3½	3	3½
64	40	1	...	Do. pref.	172	55	58	55	57
13¾	12½	.	...	Inter. St. Rly. A	....	13¾	..	..	..
2	2		...	Do. (B)	....	2	..	..	..
4½	1½	.	...	Int. Util. (A)	15	3¾	4	3½	3½
.85	.25	.	...	Do. (B)	1025	.50	.55	.50	.50
				J					
30	22	1.50	5	Jam. Pub. Ser.	....	30	..	..	..
126	115	7	5.6	Do. pref.	20	125	126	125	125
				K					
8¾	6½		...	Kelvinator	....	6½	..	..	..
107	102	7	6.7	Do. pref.	1	106½	105	105	105
				L					
15	7	.	...	Lake of Woods	3060	13	15	13½	13¾
120	80	1.75	...	Do. pref.	345	111	120	113	120
75	54	5	9.2	Landed Bank.	3	54	54	54	54
4	3½			Langley's	....	3½	..	..	..
80	50	7	14	Do. pref.	35	60	50	50	50
66	59	3	4.6	Laura Secord	205	65	65½	64½	65½
5	2½		...	Lindsay, C. W.	200	3¾	3	3	3
40½	39		...	Do. pref.	45	40	40	40	40
19½	16½	1	5	Loblaw (A)	1360	18½	19	18½	18¾
18½	16	1	5.7	Do. (B)	445	16¾	17½	17½	17½
7½	6¾	10c	...	Louisiana L.	....	6¾	..	..	..
				M					
3½	3½	.	...	MacKin. Steel	....	3½	..	..	..
†95	90	.	...	Do. pref.	....	..	..	..	..
2½	2	.	...	Manitoba Pr.	....	2	..	..	..
1.00	.50		...	M. L. Gardens	118	.75	.50	.50	.50
4¾	3½		...	Do. pref.	16	4¾	4½	4½	4½
1.50	.40	.	...	Maple Leaf	695	1.05	1.10	1.00	1.05
5	1			Do. pref	24	3½	3	3	3
12¾	12	60c	4.7	Maritime Tel.	....	12¾	..	..	..
15	14½	70c	4.7	Do. pref.	....	14¾	..	..	..
20	14			Marcus Loew's	....	16½	..	..	..
115	108½	7	6.3	Do. pref.	....	111½	..	..	..
7¾	3½		...	Massey-Harris	53223	7	7¾	6½	6½
37	18¾		...	Do. pref.	1703	35½	37	34½	34½
15¾	11¾	80c	6.2	McColl Fron.	3738	12¾	13	12½	12¾
100¾	94	6	6.1	Do. pref.	1186	98½	99½	97¾	98¾
14½	7	.	...	Melchers (A)	4752	13½	13½	10½	11
7	2½		...	Do. (B)	820	6½	6½	4½	4¾
10	8½		...	Mercury Mills p	....	10	..	..	..
27	20	1	...	Mitchell, J. S.	....	23	..	..	..
101	101	7	6.9	Do. pref.	....	101	..	..	..
7½	3½		...	Mitchell, Robt.	290	7	7½	5¾	5¾
5	2½		...	Monarch Knit.	20	2½	2½	2½	2½
90	71½	7	...	Do. pref.	....	89	..	..	..
30	20		...	Montreal Cot.	....	30	..	..	..
97	73	7	8.3	Do. pref.	72	80	84	82	84
†½	½			Montreal Exhib.	....	..	..	..	..
1.30	1.00			Mont. Is. Pr.	....	1.30	..	..	..
36¾	26¾	1.50	4.1	Mont. L. & Pr.	15910	35¾	36¾	35½	36¾
32	30	2.50	8.3	Montreal Loan.	....	30	..	..	..
9	6¾		...	Mtl. Ref. & S.P.	....	9	..	..	..
2	1½		...	Do. Vot. Tr.	....	2	..	..	..
58	54½	3.20	5.5	Montreal Tele.	....	58	..	..	..
99	80	9	9.2	Montreal Trams	122	97½	98	97	98
28¾	17½	50c	1.8	Moore Corp.	534	28½	28½	27	27
149	118½	7	4.7	Do. pref. (A).	82	149	149	148	148
180	135	7	3.9	Do. pref. (B).	....	178	..	..	..
1.10	.25			Muirheads	....	.35	..	..	..
6	3	.		Do. pref.	....	3	..	..	..
				N					
40	31	1.60	4	Nat. Breweries.	5636	39	40	38¾	39
44	38	1.75	4	Do. pref.	40	44	43	43	43
7½	4½		...	Nat. Grocers	2025	6¾	7	6½	6½
135	121	7	5.2	Do. pref.	....	135	..	..	..
22	14½		...	N. Sew. Pipe A	....	16¾	..	..	..
18½	12½		...	Nat. Steel Car	3555	13¾	15½	14	15
204	175	8	4.1	National Trust	22	195	200	196	196
28	15	1	3.6	Niag. W. Weav.	107	22	28	25	28
52	45½	3	5.9	Do. pref.	5	51	51	51	51
1.90	.60		...	North Star Oil.	660	.60	1.40	.95	1.40
4.00	1.50		...	Do. pref.	250	2.90	3.50	3.25	3.50
				O					
190	140	8	4.5	Ogilvie Flour	182	173	180	173	180
152	130	7	4.8	Do. pref.	20	146½	150	150	150
8½	5½		...	Ont. Eq. 10% pd	130	6	6	5½	6
115	107½	6	5.4	Ontario Loan	....	110½	..	..	..
18	8		...	Ont. Silknit	55	14	14	14	14
99¾	75	1.75		Do. pref.	25	94	98	97	97
6½	5			Ont. Steel	....	5	..	..	..
.35	.10	.		Orange Crush	....	.10	..	..	..
17	6			Do. 1st pref.	....	15	..	..	..
.58	.20			Do. 2nd pref.	....	.45	..	..	..
15	5			Ottawa Car	....	..	..	..	..
87	74	6	7	Ott. L. H. & Pr.	40	86	87	85	85
108	100	6.50	6	Do. pref.	15	104	108	106	108
22	14	2	...	Ott. Traction	5	18	18	18	18
				P					
88	75	3	3.7	Page Hersey	490	81	82	81	81
3¾	3½	.	...	Pantepec Oil	200	3½	3½	3½	3½
17	17	.	...	Paton Mfg.	....	17	..	..	..
98	94	7	7.2	Do. pref.	....	98	..	..	..
63½	41	3	6.6	Penmans	....	45	..	..	..
116	106½	6	5.2	Do. pref.	....	116	..	..	..
25	20½	1	4	Photo Eng.	315	24¾	25	24¾	25
91	70	7	8.3	Porto Rico P. p	75	80	85	84½	85
12¾	6½	.	...	Power Corp.	4158	11¾	12¾	11¾	12
99	80	6	6.2	Do. pref.	131	97½	99	97	97
2.50	80			Prairie C. Oil	....	1.00	..	..	..
20	6	12½c	..	Pressed Metals	2995	19	20	19	19½
3.87	1.50		...	Price Bros.	6245	2.00	2.87	2.12	2.75
33¾	14	.	...	Do. pref.	755	19	22	19½	19½
				Q					
17½	13	1	6.2	Quebec Power	1662	16½	16½	16½	16½
				R					
58	40	2	5	Real Estate L'n.	....	40	..	..	..
7	4½	.	...	Regent Knit.	435	5½	5¾	5½	5¾
5	2	.	...	Reliance Grain.	....	5	..	..	..
30	27	1	3.3	River. S. Mills.	35	29½	30	30	30
9	5½	.	...	Rogers Majest.	1180	6¾	6¾	6¾	6¾
94½	83	6	6.4	Rolland P. pf.	115	92½	94½	92½	94½
173½	133½	8	5.1	Royal Bank	78	160	157	155	157
32	20		...	Russell Motor	25	25	32	32	32
98	70	7	7.2	Do. pref.	39	92	98	95	95
				S					
5	2	.	...	Sarnia Br. (A)	95	5	4	4	4
1	1	.	...	Do. (B)	....	1	..	..	..
23	14¾	50c	2.2	Shawinigan	17451	22½	23	21¾	21¾
17	9½	.	...	Sher. Wms.	2010	13	13½	12½	13½
110	100	1.75▲	..	Do. pref.	40	108	110	110	110
14	8	.	...	Simon & Son	65	9½	9¾	9	9¾
109½	90			Do. pref.	....	92	..	..	..
90	62	4	5.2	Simpson, Ltd.	440	76½	78½	75	77½
12	9		...	Do. (A)	25	12	11	11	11
11	5	.	...	Do. (B)	4	10	10	10	10
110	103	6	5.4	Simpson, R., p.	3	106½	110	110	110
14½	9½	80c	5.8	So. Can. Pr.	1366	13¾	14	13¾	14
100	82	6	6.1	Do. pref.	84	99	99¾	98	99¾
1.90	60			St. Law. Corp.	3615	1.45	1.85	1.40	1.85
8¾	2		...	Do. (A)	4515	6¾	7¾	7	7¾
39½	30	2	5.7	St. Law. Flour.	....	33	..	..	..
125	113	7	6	Do. pref.	2	119	117	117	117
16½	8½	.	...	St. Law. Pap. p	2855	14½	16½	14	15½
7	4		...	Stand. Chem.	60	5½	7	6½	7
1.75	70		...	St. Pav. & Mat.	360	.95	1.00	.95	.95
15	9		...	Do. pref.	10	13	13	13	13
25	20		...	Stand. Steel, pf.	....	25	..	..	..
54	42	1.75	3.3	Steel of Can.	2597	53¾	53½	52½	52½
49	41	1.75	3.8	Do. pref.	177	48½	48½	46½	47½
4	2		...	Sterling Coal	....	3½	..	..	..
4¾	4½		...	Stop & Shop	....	4½	..	..	..
3	1½		...	Supersilk, H.	....	1¾	..	..	..
70	58½	3.50	5.2	Do. pref.	5	67	67	67	67
31½	21½	1	3.4	Sup. Pete. ord.	118	30	29½	29	29
29	23	1	3.4	Do. com.	....	29	..	..	..
115	110	7	6.3	Do. pref.	....	111	..	..	..
				T					
34	23	.	...	Tamblyn	....	32	..	..	..
114	110	7	6.2	Do. pref.	121	112	112	111¾	112
6	2		...	Thayers	....	2	..	..	..
41	33	3.50	10.6	Do. pref.	....	33	..	..	..
2½	1		...	Thrift Stores	....	2½	..	..	..
13	5		...	Do. pref.	25	8½	8	8	8
12¾	7		...	Tip Top Tailors	370	8½	8¾	8½	8¾
98½	90	7	7.2	Do. pref.	276	96	97	95	97
†22	10			Tooke Bros.	....	..	..	..	..
15	10		...	Do. pref.	....	10	..	..	..
42	32½	1	2.7	Tor. Elevators	25	38	37	37	37
129½	108	7	6	Do. pref.	57	116	119	116	116
125	80	4	4.8	Tor. Gen. Tr.	32	83	85½	84	84
121	110	6	5	Toronto Mtge.	5	120	120	120	120
146	133½	7	4.8	Tuckett Tob. p.	25	145	145	145	145
7¾	2		...	Twin City	1335	5	7¾	5½	7¾
b49	18		...	Do. pref.	....	..	..	..	..
				U					
10	3¾	.	...	Union Gas	4580	9	9½	9	9½
11½	9	.	...	Un. Amuse. A.	....	10¾	..	..	..
†7½	7½			Do. (B)	....	..	..	..	..
1.40	.50		...	United Distill.	3550	1.15	1.30	1.00	1.05
13	¾			United Fuel	....	..	..	..	..
29	15½	.	...	Do. pref.	506	23	23½	23	23½
30	23	2	8.5	United Secs.	5	25	23½	23½	23½
5	2			United Steel	770	3½	3¾	3¾	3½
				V					
2.00	1.00	.	...	Viau Biscuit	....	1.50	..	..	..
20½	12	.	...	Do pref.	....	16½	..	..	..
				W					
27	16		..	Wabasso Cot.	25	25	23	23	23
35	23		...	Walker-Good.	9195	34	34	31½	31½
18½	16¾	1	5.7	Do. pref.	2224	18	18	17½	17½

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)

November 27, 1935

Dominion of Canada Bonds

		Bid Nov. 27	Asked Nov. 27	Approx. Yield	Bid Nov. 20
Dominion .. 2	15 Oct. 1936	100.15	100.70	1.20	100.00
Dominion .. 5	15 Nov. 1936	102.50	103.50	1.33	102.75
††Dominion .. 5	1 Mar. 1937	105.50	‡106.50	...	105.75
‡Dominion .. 5½	1 Dec. 1937	107.00	108.00	1.50	107.00
Dominion .. 2½	15 Oct. 1939	100.75	101.75	2.03	101.00
Dominion .. 4	15 Oct. 1939	105.75	106.75	2.19	106.00
Dominion .. 4½	1 Sept. 1940	108.25	109.25	2.43	108.50
Dominion .. 5	15 Nov. 1941	109.50	110.50	3.06	109.75
Dominion .. 3	15 Oct. 1942	101.65	102.65	2.58	101.65
Dominion .. 2½	1 June 1943	99.50	100.50	2.43	99.50
Dominion .. 5	15 Oct. 1943	110.50	111.50	3.33	110.75
Dominion .. 4½	15 Oct. 1944	108.00	109.00	3.32	108.25
Dominion .. 4	15 Oct. '43-45	105.00	106.00	3.13▲	105.00
Dominion .. 4½	1 Feb. 1946	108.00	109.00	3.44	108.25
Dominion .. 3½	15 Oct. '44-49	101.00	102.00	3.24▲	101.50
Dominion .. 4	15 Oct. '47-52	105.00	106.00	3.39▲	105.00
Dominion .. 3	1 June '50-55	97.25	98.25	3.12	97.50
Dominion .. 4½	1 Nov. '46-56	106.25	107.25	3.69▲	107.00
Dominion .. 4½	1 Nov. '47-57	106.25	107.25	3.74▲	107.00
Dominion .. 4½	1 Nov. '48-58	106.65	107.65	3.75▲	107.25
Dominion .. 4½	1 Nov. '49-59	106.65	107.65	3.79▲	107.35

Dominion Guaranteed Bonds

		Bid	Asked	Yield	Bid
*G. T. P. Ry. 3	1 Jan. 1962	98.25	99.25	3.04	98.50
Can. N. Ry. 3	1 May 1944	99.75	100.75	2.90	99.75
Can. N. Ry. 3	15 Dec. '45-50	97.50	98.50	3.12	98.00
*Can. N. Ry. 4½	1 Sept. 1951	109.50	110.50	3.63	109.75
*Can. N. Ry. 4½	1 Feb. 1956	109.75	110.75	3.74	110.00
†Can. N. Ry. 4½	1 July 1957	108.75	109.75	3.84	108.75
*Can. N. Ry. 4¾	15 June 1955	112.25	113.25	3.80	112.50
Can. N. Ry. 5	1 Feb. 1954	113.00	114.00	3.93	113.50
*Can. N. Ry. 5	1 July 1969	113.00	114.00	3.60▲	113.00
*Can. N. Ry. 5	1 Oct. 1969	114.25	115.25	3.85▲	114.75
*M. Harb. C. 5	1 Nov. 1969	114.75	115.75	3.81▲	115.00

Provincial Government Bonds

		Bid	Asked	Yield	Bid
Eastern—					
†N. Bruns. .. 4½	15 Apr. 1961	108.00	109.00	3.93	108.25
†N. Bruns. .. 5	15 Jan. 1960	112.50	113.50	4.12	112.75
N. Bruns. .. 5½	15 May 1950	113.00	114.00	4.20	112.50
N. Scotia .. 4½	15 May 1943	106.50	107.50	3.36	106.50
†N. Scotia .. 4½	15 Sept. '47-52	108.00	109.00	3.57▲	108.00
N. Scotia .. 4½	15 May 1961	109.25	110.25	3.86	109.50
†N. Scotia .. 5	1 Mar. 1960	113.50	114.50	4.06	113.50
*Ontario 4	1 June 1962	104.25	105.75	3.66	104.00
*Ontario 4½	1 Sept. 1944	108.00	109.50	3.24	108.50
Ontario 4½	1 June 1950	106.25	107.25	3.84	106.75
*Ontario 4½	15 Jan. 1962	108.50	110.00	3.89	109.50
Ontario 5	15 Oct. 1948	110.25	111.25	3.89	110.75
*Ontario 5	2 Dec. 1960	114.50	116.00	3.98	113.50
Ontario 5½	1 July 1946	113.00	114.00	3.89	113.50
O. H. C. 3½-4-5	1 Oct. '33-52	100.00	101.00	4.34•	100.25
*Ont. Hyd. C. 4	1 Aug. 1957	104.00	105.00	3.64	103.50
Ont. Hyd. C. 4¾	1 Jan. 1970	109.00	110.00	4.20	107.50
Quebec 4	15 Mar. 1962	106.25	107.25	3.42	106.50
Quebec 4½	1 Aug. 1958	109.00	110.00	3.61	109.50
Quebec 4½	2 Jan. 1963	111.50	112.50	3.76	111.50
Western—					
†Alberta 4	1 Dec. 1957	87.00	89.00	4.81	88.00
†Alberta 4½	1 Oct. 1956	90.00	91.50	5.17	92.00
†Alberta 5	1 Jan. 1948	96.50	98.00	5.22	97.00
Alberta 5	1 Sept. 1955	93.50	94.50	5.45	94.25
*Alberta 5	1 Oct. 1959	96.25	97.25	5.20	97.25
†Alberta 5½	1 Jan. 1947	99.00	100.50	5.44	99.50
Alberta 6	1 Mar. 1947	99.00	100.00	6.00	99.50
†Brit. Col. .. 4	1 Dec. 1957	93.00	94.00	4.43	93.50
*Brit. Col. .. 4½	15 Jan. 1951	98.00	99.00	4.59	98.25
†Brit. Col. .. 4½	1 Oct. 1953	97.25	98.25	4.65	97.50
†Brit. Col. .. 5	15 Jan. 1948	100.50	101.50	4.84	101.00
Brit. Col. .. 5	1 Sept. 1953	100.00	101.00	4.91	100.25
Brit. Col. .. 5½	1 Feb., 1945	100.25	101.25	5.32	101.00
Brit. Col. .. 6	15 Feb. 1947	102.25	103.25	5.60	102.50
†Manitoba .. 4	1 Dec. 1957	99.50	100.50	3.97	99.00
†Manitoba .. 4½	15 Dec. 1956	102.50	103.50	4.25	102.50
†Manitoba .. 5	15 June 1954	106.00	108.00	4.36	107.50
*Manitoba .. 5	2 Dec. 1959	108.00	110.00	4.33	108.50
Manitoba .. 5½	1 Oct. 1955	106.50	107.50	4.91	106.50
Manitoba .. 6	1 Apr. 1947	107.00	108.00	5.07	107.00
Sask. 4	15 Aug. 1953	87.50	88.50	4.97	87.50
*Sask. 4½	2 July 1945	97.00	98.50	4.70	97.00
†Sask. 4½	1 Oct. 1951	95.00	96.00	4.85	95.50
Sask. 5	1 Aug. 1958	99.00	100.00	5.00	99.50
†Sask. 5½	15 Nov. 1946	102.00	103.00	5.14	102.25
Sask. 6	15 Mar. 1952	105.00	106.00	5.44	105.50

Municipal Bonds

		Bid	Asked	Yield	Bid
†Calgary 5½	2 June 1944	82.00	86.00	7.78	78.00
†Edmonton . 5½	1 Nov. 1945	85.00	88.00	7.20	85.00
†Halifax 5	1 July 1961	112.00	113.00	4.17	112.00
Hamilton .. 5	1 May 1950	106.75	109.75	4.10	106.75
Montreal .. 5	1 Mar. 1945	105.00	106.50	4.15	105.50
Ottawa 4½	1 July 1945	105.50	108.50	3.46	105.50
†Quebec 5	1 June 1959	108.00	109.00	4.39	107.50
Regina 5	1 July 1944	84.00	88.00	6.85	80.00
St. John ... 5	15 Dec. 1950	106.00	109.00	4.19	107.50
†Toronto ... 4½	1 Jan. 1955	107.00	110.00	3.77	107.00
Vancouver . 5	1 June 1969	92.00	95.00	5.32	92.00
Victoria ... 5	21 July 1945	94.00	97.00	5.39	94.00
Winnipeg .. 5	1 Mar. 1944	102.50	104.50	4.35	102.50

Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. •Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

The Financial Post's Quotations

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Mining Stock Quotations

WEEK ENDING NOVEMBER 25

Par. Val.	Range High	1935 Low	Company	Sales	Close Nov. 18 (or last)	High for week	Low for week	Close Nov.25
1	.77½	.38	Afton	21,500	.61	.60	.54	.54
No	.11	.04	Aldermac	7,100	.04½	.05½	.04¾	.05
1	.02¾	.00¾	Alexandria	2,000	.01	.01	.01	.01
No	.57	.35	Algold	5,900	.49½	.53	.50	.53
No	.08½	.02½	Algoma	56,000	.05	.05½	.04½	.05½
No	4.50	3.55	Anglo-Huronian	920	4.35	4.35	3.90	4.10
No	.04	.01½	Arno	......	.02	.....	.....	.....
1	1.19	1.00	Arntfield	4,040	1.05	1.05	1.00	1.02
1	.32	.06½	Ashley	28,586	.16	.21	.15	.21
1	.08	.02	Astoria Rouyn	6,900	.02	.02½	.02	.02
1	.14	.03	Bagamac	21,700	.05	.05½	.04½	.04¾
1	.08½	.02½	Barry Hollinger	9,850	.04½	.04½	.04	.04½
1	.94	.13	Base Metals	45,650	.21	.28	.20	.28
1	1.06	.14	B.E.A.R.	122,500	.69	.70	.50	.57
No	2.16	1.25	Beattie Gold	17,225	1.50	1.66	1.49	1.61
1	.75	.30	Big Missouri	13,288	.65	.65	.60	.62
1	.38	.16½	Bobjo	42,400	.19½	.19	.16½	.17
No	12.50	4.25	Bralorne	4,753	5.85	5.85	5.40	5.40
1	.61	.20	Brazil Gold	3,500	.37	.39	.37	.38
1	.03	.01½	Brett Trethewey	44,800	.01½	.03	.01½	.02½
50c	.24	.07	B.R.X. Gold	1,600	.08	.08	.08	.08
1	3.60	2.35	Buffalo Ankerite	30,900	3.17	3.60	3.10	3.55
No	.03½	.00¾	Buffalo Can	2,000	.01	.01¾	.01	.01
5	38.15	30.00	Bulolo Gold	350	32.75	33.00	32.00	32.25
No	.08½	.03	Bunker Hill	10,400	.07½	.08	.07	.07
1	.03½	.01	Can. Kirkland	4,500	.01	.01½	.01	.01½
No	.90	.54	Can. Marlartic	35,042	.83	.90	.81	.88
1	1.50	.95	Cariboo Gold	6,300	1.18	1.29	1.18	1.23
1	.05½	.02	Cartier Malartic	8,500	.02½	.02½	.02	.02½
1	1.34	.55	Castle Trethewey	58,129	1.11	1.20	1.11	1.19
1	.07½	.02½	Cen. Manitoba	46,200	.05	.07	.04½	.07
1	2.30	1.12	Cen. Patricia	107,955	2.00	2.30	2.01	2.25
No	.27	.08	Chibougamau Pros	59,150	.15½	.16	.14	.14
No	.06½	.03	Church M. & Mill	11,700	.03¾	.06	.04	.05½
No	.08	.02	Clericy	117,575	.03	.03½	.02½	.02½
5	3.25	1.50	Coast Copper	275	2.75	3.00	2.75	3.00
1	.08	.01½	Cobalt Contact	10,500	.01½	.02	.01½	.02
5	3.60	2.00	Coniagas	1,050	3.15	3.15	3.15	3.15
No	2.60	1.35	Coniaurum	4,077	2.28	2.35	2.20	2.25
25	204.00	125.50	Cons. Smelters	4,769	195.00	204.00	194.00	203.50
No	44.00	34.50	Dome Mines	2,688	40.75	42.87	40.25	41.50
1	.10	.03½	Dom. Explorers	3,500	.06½	.06½	.05½	.05½
1	.17½	.06	Duparquet	26,050	.08	.08½	.07	.08½
1	2.93	1.02	Eldorado	28,000	1.40	1.56	1.38	1.45
No	5.85	3.25	Falconbridge	18,070	5.60	5.85	5.50	5.75
1	.04½	.02	Federal	22,000	.02½	.03	.02½	.02¾
No	.16½	.05	Francoeur Gold	3,500	.10	.10	.08½	.10
1	.40	.03	Franklin Gold	56,000	.04½	.05	.04	.04
1	.45	.09	Gabrielle	1,425	.22	.22	.19½	.19½
No	2.2-	1.17	God's Lake	100,385	1.23	1.30	1.17	1.20
1	.20	.10	Goldale	23,100	.13½	.15	.12½	.14½
50c	.46	.20	Gold Belt	......	.20	.....	.....	.....
1	.15	.04	Goodfish	1,000	.12½	.12	.10	.10
1	.07	.02	Graham Bosquet	4,250	.03	.03	.02½	.03
1	.40	.17	Granada Gold	5,456	.20	.22	.20	.21
No	.12	.05½	Grandora	3,800	.06	.06	.05½	.06
1	.45	.14	Greene Stabell	11,400	.16	.21	.16	.20
1	.05	.02½	Grozelle	1,300	.02½	.02½	.02½	.02½
1	.10	.04	Grull Wihksne	2,000	.04	.06	.05½	.06
1	.97	.48	Gunnar Gold	37,870	.61	.72	.58	.72
1	.08½	.02	Halcrow Swayze	2,600	.02½	.03	.02½	.03
1	.49	.35	Hard Rock	6,800	.35	.36	.35	.35
1	.10	.04	Harker	3,500	.04½	.04½	.04½	.04½
5	20.25	11.65	Hollinger	11,845	14.25	14.90	14.10	14.55
1	1.10	.55	Howey Gold	28,995	.55	.62	.60	.61½
No	20.00	11.50	Hudson Bay	2,838	19.37	20.00	19.25	19.75
1	15.35	11.35	Inter. Mining	......	11.35	.....	.....	.....
1	6.50	5.00	Do., Pur. Warr.	......	5.00	.....	.....	.....
No	40.00	22.25	Int. Nickel	67,085	37.75	40.00	37.75	39.12
100	130.75	125.00	Do. pref.	......	125.00	.....	.....	.....
1	.20	.00½	J.M. Cons. Gold	100,490	.14	.16½	.14	.16
1	.75	.40	Kerr Lake	125	.55	.50	.40	.40
1	.31	.20	Kirk. Hud. Bay	800	.20	.22	.20	.22
1	.65	.33½	Kirkland Lake	11,454	.36	.38½	.36	.38
1	.33½	.12	Kirk. Townsite	1,700	.14	.15	.12	.12
No	.07	.02	Lake Maron	15,600	.02	.03	.02	.03
1	58.00	46.25	Lake Shore	3,554	51.00	53.75	50.62	53.50
No	.08	.01½	Lamaque Contact	9,700	.03	.03½	.03	.03
1	.18	.12	Lebel Oro New	34,800	.14	.15½	.13½	.14
1	.08	.02½	Lee Gold	19,200	.03	.03½	.02½	.03½
No	7.25	4.15	Little Long Lac	14,176	5.55	5.75	5.40	5.70
1	3.05	1.31	Macassa	30,210	2.72	2.80	2.68	2.73
1	.03	.00¾	Malrobic	4,000	.00¾	.00¾	.00¾	.00¾
No	.12	.05½	Mandy	1,300	.07	.09	.08	.09
No	.12½	.03	Man. & Eastern	12,100	.04½	.05	.04½	.04½
1	.14	.02½	Maple Leaf	17,600	.06	.06½	.05½	.06
5	46.00	34.00	McIntyre	4,226	36.00	40.25	35.75	39.75
1	1.45	.96	McKenzie R.L.	29,225	1.18	1.25	1.16	1.19
1	.70	.35	McKinley	......	.45	.....	.....	.....
1	.46½	.07½	McMillan	14,900	.09½	.10½	.09½	.09½
No	2.15	.45	McWatters	53,050	1.58	1.67	1.56	1.60
1	.40	.10	McVittie	7,150	.13	.14½	.13½	.14
No	1.50	.85	Mining Corp.	3,375	1.08	1.12	1.00	1.10
No	.21	.07½	Minto Mines	......	.08	.....	.....	.....
1	.16	.05	Moneta	3,600	.07	.06	.05½	.06
1	.79	.35	Morris Kirk	......	.58	.60	.55	.57
1	.01½	.00½	Murphy	......	.00¾	.....	.....	.....
No	.04	.01	Newbec	25,200	.01½	.02½	.01½	.02
1	.04½	.00¾	Night-Hawk Penn.	1,000	.01	.01½	.01½	.01½
5	2.60	2.00	Nipissing	4,530	2.49	2.60	2.45	2.55
No	44.87	31.00	Noranda	23,979	43.00	44.87	42.87	43.37
No	.31	.16	Nor. Canada	9,900	.24	.24	.22	.23
1	.75	.30	O'Brien	13,125	.40	.48	.43	.48
1	.10	.03	Osisko	1,000	.05	.05½	.05½	.05½
1	.32	.18	Parkhill	24,650	.20	.20½	.18½	.20½
1	.04½	.01	Pawnee Kirk	39,500	.01½	.02½	.02	.02½
1	.35	.16	Paymaster	311,102	.33	.35	.31	.33
1	.84	.40	Pend Orielle	3,890	.70	.77	.70	.77
1	.92	.55	Perron Gold	24,000	.88	.88	.86	.88
1	.09½	.01½	Peterson Cobalt	102,000	.03½	.05	.03½	.04½
1	3.47	2.10	Pickle Crow	74,332	3.18	3.47	3.14	3.40
1	12.25	9.00	Pioneer Gold B.C.	8,620	9.25	10.20	9.35	9.80
1	.06	.03	Porcupine Crown	20,500	.04½	.04½	.04	.04
1	2.05	1.35	Premier Gold	11,475	1.77	1.80	1.75	1.78
1	.03	.01	Preston E. Dome	7,500	.01½	.01½	.01½	.01½
No	3.35	1.25	Prospectors Air's	2,600	2.70	3.05	2.61	2.76
1	.95	.09¾	Quebec Gold	28,500	.83	.90	.81	.86
No	.15	.02½	Quemont	560	.05	.06	.03	.06
1	.98	.55	Read Authier	18,860	.92	.93	.90	.93
No	.43	.25	Red Lake	20,000	.40	.40	.35	.38
1	1.67	.73	Reno Gold	26,250	.86	.98	.87	.97
1	.02½	.00½	Ritchie	4,500	.01	.00¾	.00½	.00¾
1	.10½	.02	Robb Montbray	240,500	.03½	.06½	.03	.05½
1	.10½	.02½	Roche Long Lac	13,700	.04	.05½	.04½	.04½
1	5.20	2.00	San Antonio	13,852	2.80	3.18	2.81	3.05
50c	1.25	.54	Sheep Creek	900	.70	.80	.75	.75
1	1.00	.45	Sherritt Gordon	95,386	.83½	1.00	.82	.93
1	3.29	2.40	Siscoe	21,125	2.66	2.72	2.60	2.66
1	5.10	3.30	South Amer. Gold	1,100	4.85	5.10	4.80	5.00
No	.15	.02	South Tiblemont	14,500	.02½	.02½	.02½	.02½
No	.32	.13½	Stadacona	103,900	.16½	.17	.15½	.16
1	.39	.14½	St. Anthony	8,600	.17½	.18	.17¾	.18
No	2.60	1.25	Sudbury Basin	41,928	2.13	2.60	2.55	2.55
1	.11	.03	Sudbury Contact	6,200	.05	.06	.04½	.05½
1	.09½	.03	Sudbury Mines	228,000	.09	.09½	.08¾	.09½
1	.89	.35	Sullivan Cons.	46,197	.69	.75	.70	.73
1	2.70	2.00	Sylvanite	21,270	2.44	2.50	2.35	2.35
1	.67	.25	Tashota	27,750	.37	.38	.34	.35
1	4.70	3.67	Teck Hughes	35,930	4.40	4.55	4.39	4.45
1	.03	.00½	Timiskaming	78,700	.01	.03	.01½	.02½
1	1.45	1.00	Toburn Gold	400	1.00	1.12	1.10	1.10
1	.30½	.10	Towagmac	3550	.16	.20	.17	.19
1	.30	.10	Treadwell	......	.20	.....	.....	.....
No	1.46	.80	Ventures	171,580	1.26	1.46	1.23	1.39
No	.86	.45	Waite Amulet	16,993	.71	.84	.70½	.82
50c	.24½	.07	Wayside	45,600	.14½	.17	.14½	.16½
No	.10½	.10½	White Eagle	21,000	.03½	.03½	.03½	.03½
1	.07	.03	Wiltsey Coughlan	......	.03½	.....	.....	.....
1	.07¾	.03½	Wood Kirkland	2,000	.04½	.04½	.04½	.04½
No	9.90	6.90	Wright-Hargreaves	11,590	7.50	8.00	7.55	7.65
No	.85	.26	Ymir Yankee	3,600	.37	.35	.34	.35

OIL STOCKS

Par. Val.	Range High	1935 Low	Company	Sales	Close Nov. 18 (or last)	High for week	Low for week	Close Nov.25
No	.26	.14½	Acme Gas & Oil	23,150	.17	.18½	.17	.18½
1	1.09	.40	Ajax	11,200	.41	.55	.45	.55
No	.85	.49	Calgary & Ed.	3,500	.63	.72	.63	.72
1	.08	.04	Calmont	3,100	.04	.06	.04½	.06
No	.05½	.03	Common Pete	700	.04	.04	.04	.04
No	.39	.15	Dalhousie	8,615	.25	.32½	.25	.32
No	.12	.04	East Crest	2,500	.05	.05½	.05½	.05½
No	.35	.08	Foothills	......	.20	.....	.....	.....
No	.15	.10½	High Sarcee	......	.14½	.....	.....	.....
No	.80	.42	Home	5,855	.50	.65	.55	.65
1	.14	.04½	Homestead O. & G.	......	.04½	.....	.....	.....
No	.13½	.06	Lowery	......	.07½	.....	.....	.....
No	.27	.14	Merland	......	.14	.....	.....	.....
5	.22	.03	Nordon	112,800	.12	.22	.13	.22
No	.07	.03½	Oil Selections	10,000	.04½	.05	.04½	.05
No	.06½	.02½	Olga Gas & Oil	92,100	.03½	.04	.03½	.04
1	.65	.40	Petrol Oil & Gas.	3,000	.60	.60	.60	.60
No	27.00	18.00	Royalite	41,913	24.75	25.25	24.00	25.00
No	.12	.04	South West Pete	......	.04	.....	.....	.....
No	1.41	.55	Texas Can.	49,175	1.17	1.41	1.16	1.39

VANCOUVER STOCK EXCHANGE

(Transaction for Week to November 23)

Par. Val.	Range High	1935 Low	Company	Sales	Close Nov. 15 (or last)	High for week	Low for week	Close Nov.2
1	.02½	.00½	Alexandria	......	.00½	.....	.....	.....
25c	.01½	.00¾	Bayview	......	.00¾	.....	.....	.....
20c	.10½	.03½	Beaver Silver	14,000	.04	.05	.04	.04½
25c	.02½	.01	Bluebird	10,000	.01	.01½	.01½	.01½
No	12.25	4.35	Bralorne	4,575	5.85	5.90	5.60	5.60
1	.08½	.03	Bridge River Cons	3,000	.03½	.03½	.03½	.03½
50c	.24	.07	B.R.X. Gold	1,900	.09	.09	.07½	.07½
1	.55	.14	B.C. Nickel	24,100	.23½	.27	.22½	.25½
1	1.80	.90	B.C. Silver	1,300	1.65	1.80	1.65	1.80
10	43.00	43.00	Bunker H. Sullivan	......	43.00	.....	.....	.....
50c	.10	.03	Canadian Rand	......	.05	.....	.....	.....
1	1.50	.95	Cariboo Gold	22,356	1.16	1.26	1.15	1.24
1	.54	.13	Congress Gold	2,800	.15	.14	.13	.13
25c	.00½	.00½	Cork Province	......	.00½	.....	.....	.....
1	.09	.03	Cotton Belt	......	.03½	.....	.....	.....
No	.01½	.00½	Dalhousie Mines	......	.01	.....	.....	.....
No	.95	.15½	Dentonia	19,200	.22	.25½	.22	.25
No	.06½	.01	Dictator	2,000	.02½	.02	.02	.02
1	.17	.03	Dunwell	1,500	.04½	.04	.03½	.03½
No	.16½	.04	Fairview Amal	100	.07	.06½	.06½	.06½
50c	.46	.25	Fawn Mining	1,000	.30	.34	.30	.34
1	.13	.05	Federal Gold	11,410	.06	.08	.06	.08
1	.30	.12	George Copper	2,700	.25	.30	.24	.30
50c	.08	.03	George Enterprise	2,200	.06	.06	.05	.06
1	.01	.00½	Georgia River	2,000	.00¾	.00¾	.00¾	.00¾
50c	.06½	.01	Glacier Creek	9,000	.01½	.01½	.01½	.01½
1	.42	.11	Golconda	2,000	.12	.11½	.11	.11
50c	.45½	.18	Gold Belt	3,600	.19	.20	.18	.20
50c	.19	.02½	Gold Mountain	8,000	.02½	.02½	.02½	.02½
50c	.04½	.01½	Grandview	3,500	.02	.02½	.02½	.02½
No	.24	.01½	Grange Mines	10,000	.02	.02	.01½	.02
1	.10	.04½	Grull Wihksne	1,000	.05½	.05½	.05½	.05½
No	.03	.03	Haida Gold	......	.03	.....	.....	.....
25c	11.50	6.40	Hecla	......	9.85	.....	.....	.....
50c	.26	.18	Hedley Amal	4,800	.19	.19½	.19	.19½
No	.12	.04	Hedley Sterling	......	.06	.....	.....	.....
1	.02	.01	Hercules Cons	......	.01	.....	.....	.....
No	.12½	.02	Home Gold	1,700	.03½	.03	.02½	.02½
1	.01½	.00½	Independence	......	.00½	.....	.....	.....
1	.03	.01	Indian Mines	20,000	.01	.03	.03	.03
50c.	1.07	.68	Island Mountain	7,500	.95	1.00	.97	1.00
1	.20	.17	Inter'tl Coal	7,600	.19	.20	.19	.19
50c.	.72	.30	Kootenay Belle	6,200	.45	.48	.44	.48
20c.	.01½	.00½	Koot. Florence	1,000	.00½	.00½	.00½	.00½
25c.	.01½	.00½	Lakeview	10,000	.00½	.00½	.00½	.00½
10c.	.04½	.01	Lucky Jim	6,000	.02	.02½	.02	.02½
No	.41	.07	Mak Siccar	9,200	.11	.13	.09½	.13
50c.	.00½	.00½	Marmot Metals	......	.00½	.....	.....	.....
1	.21	.16	McGillivray Creek	......	.20	.....	.....	.....
10c.	.30	.13	Meridian Min.	1,600	.13	.14	.13	.13
No	.24½	.05	Minto Mines	62,000	.05½	.09½	.05½	.08½
50c.	.12½	.03	Morning Star	25,000	.03½	.03½	.03½	.03½
1	.02	.00½	Morton Woolsey	......	.00½	.....	.....	.....
50c.	.06½	.02½	National Silver	12,000	.02½	.02½	.02½	.02½
50c.	.17	.05	Nicola	40,200	.10½	.11½	.10	.11½
50c.	.16	.04½	Noble Five	19,000	.04½	.04½	.04½	.04½
No	.09½	.01½	Pilot Gold	11,100	.02	.02½	.02	.02½
1	12.40	9.10	Pioneer Gold	4,925	9.35	10.25	9.30	9.90
50c.	.15	.05	Porter Idaho	500	.05	.05	.05	.05
No	.01	.00½	Premier Border	......	.00½	.....	.....	.....
1	.02½	.01½	Quatsino Copper	......	.02½	.....	.....	.....
25c.	.17	.05	Quesnelle Quartz	......	.05½	.....	.....	.....
No	.18	.01	Reeves McDonald	......	.08	.....	.....	.....
1	.45	.25	Relief Arlington	5,800	.44	.45	.42	.42
1	1.62	.72	Reno Gold	35,575	.80	.98	.80	.97
1	.04½	.02	Reward Mining	400	.02½	.02	.02	.02
1	.01½	.00½	Rufus Argenta	......	.00½	.....	.....	.....
1	.05½	.00½	Ruth Hope	......	.00½	.....	.....	.....
1	.62	.16	Sally Mines	7,000	.16	.17	.16	.16½
50c.	.18	.06	Salmon Gold	6,200	.07	.08	.07	.08
50c.	1.18	.55	Sheep Creek	28,775	.68	.78	.68	.76½
1	.05	.02	Silverado	......	.05	.....	.....	.....
25c.	.02½	.00½	Silvercrest	......	.00½	.....	.....	.....
20c.	.12	.01	Silversmith	......	.01½	.....	.....	.....
50c.	.01½	.00½	Snowflake	......	.00½	.....	.....	.....
1	.76	.46	Standard Silver	200	.56	.55	.53	.53
10	23.75	11.45	Sunshine	300	20.00	19.15	19.15	19.15
No	.32	.14	Taylor Bridge	8,100	.18	.19½	.18	.18½
1	.20½	.08½	Taylor Windfall	......	.12	.....	.....	.....
5	.35	.15	Toric	......	.15	.....	.....	.....
50c.	.10	.03	United Empire	......	.03	.....	.....	.....
No	.61	.13	Vidette Gold	44,450	.34	.52	.35	.50
No	.06	.00½	Viking Gold	5,000	.00½	.00½	.00½	.00½
No	.07½	.02	Waterloo Gold	......	.02	.....	.....	.....
25c.	.01½	.00½	Waverley Tangier	5,000	.00½	.00½	.00½	.00½
50c.	.23½	.07½	Wayside	24,250	.15½	.16	.15	.16
20c.	.04	.01	Wellington	6,000	.01½	.01½	.01½	.01½
No	.09½	.02	White Eagle	......	.02	.....	.....	.....
1	.14	.04	Whitewater	1,000	.05	.05	.05	.05
No	.83	.26	Ymir Yankee Girl	2,200	.32	.35	.32	.35

OIL STOCKS

Par. Val.	Range High	1935 Low	Company	Sales	Close Nov. 15 (or last)	High for week	Low for week	Close Nov.2
1	.10½	.04½	Alta. Pac. Cons.	6,300	.06½	.08½	.06	.08½
1	.22	.03½	Amalgamated	36,300	.06	.07	.05	.06½
1	.04	.00½	Anaconda	16,800	.01½	.02½	.01½	.01½
No	.05	.00½	Baltac	......	.00½	.....	.....	.....
1	.07½	.05	Brit. Dominion	......	.05	.....	.....	.....
1	.25	.03	Crow's Nest	32,800	.05½	.07½	.04½	.07
No	.03½	.01	Devenish	1,500	.03	.03	.03	.03
No	.11	.04	Freehold	3,100	.04½	.06½	.05	.06½
No	.04½	.02	Hargal	......	.02	.....	.....	.....
No	.15	.08½	High Sarcee	4,500	.13½	.10	.09	.10
No	.01½	.00½	Madison	4,000	.00½	.00½	.00½	.00½
No	.17	.07	Marjon Oil	25,300	.08½	.11½	.08½	.11
No	.05	.02	McD. Segur Ex.	200	.03	.03½	.03½	.03½
1	.50	.30	McLeod	1,285	.50	.50	.46	.50
No	.14½	.09	Mercury	12,395	.11½	.13	.11½	.13
No	.14	.07	Mill City Pete	3,000	.07	.08½	.08	.08½
1	.38	.18	Model Oil	33,000	.35	.28	.23	.27½
No	.06½	.03½	Okalta	......	.04	.....	.....	.....
No	.10½	.02	Pacalta Oil	61,150	.05	.07	.05½	.06½
1	1.17	.24½	Ranchmen's	9,825	.44	.80	.47	.74
No	.01	.01	Richfield	......	.01	.....	.....	.....
1	.28	.15	Spooner	......	.18	.....	.....	.....
No	.10	.03	United	11,900	.05	.06½	.05	.06½
No	.14	.04	Vanalta	15,200	.04	.05½	.04	.05½
1	.05	.04	Wellington Oil	......	.05	.....	.....	.....

Montreal, Toronto and Curb Markets (Cont'd)

High	Low	Divd.	Y'ld		Sales	Close Nov. 18	High	Low	Close
4.25	2.00	.	...	Walkerville Br.	1630	3.50	3.50	3.00	3.12
2.75	1.00	.	...	Waterloo Mfg.	265	1.75	1.80	1.75	1.80
6	2¾	.	...	West. C. Flour.	90	5½	6	5¾	6
52	20		...	Do. pref.	30	38	42	41	42
45½	32	2	4.4	West. Grocers	....	45½	..	..	..
106	95	7	6.6	Do. pref.	15	105	106	106	106
120	120	7	5.8	W. Koot. Pr. pf.	....	120	..	..	..
17	13¾	60c	4	Weston Ltd.	1230	15	15½	14¾	14¾
115	108	7	6.2	Do. pref.	....	114	..	..	..
8½	1½	.	..	Whittall Can.	8	8½	8½	8½	8½
113	75	6.50	5.7	Do. pref.	100	113	113	113	113
3	1	.	...	Windsor Hotel	....	1	..	..	..
8	4	.	...	Do. pref.	....	4	..	..	..
3.25	.90	.	...	Winnipeg Elec.	3321	2.75	3.25	2.75	3.00
14¾	4	.	...	Do. pref.	161	11	14¾	12	13
30	20½	.	...	Wood, A & J. p	....	25	..	..	..
70	45	.	...	Woods Mfg. pf.	422	46	50	45	50
				Z					
5½	2½	.	...	Zimmerknit, c.	....	2¾	..	..	..
85	63½	.	...	Do. pref.	....	63½	..	..	..

‡ Quotations for 1934. No sales recorded in 1935 to date.
§ Quotations for 1933. b New York Quotations.
† Quotations for 1931. ▲ On account of arrears.

Corporation Bonds

(Furnished by Toronto Bond Traders)

November 26, 1935

Public Utility Issues:	Int. Rate %	Due	Bid Nov. 26	Asked Nov. 26	Bid Nov. 19
‡Avalon Tel.	5½	'48	100½	...	100½
Beauharnois	5½	'73	90½	93½	90
Beauharnois	5	'73	36	38	34½
*Bell T'phone	5	'55	113	115½	113
*Do.	5	'57	115	118	115
†B. C. Power	5	'60	102½	105	102½
†Do.	5½	'60	104½	106½	104½
†B. C. T'phone	5	'60	106½	108½	106½
†Calgary Pwr.	5	'60	97½	100	98½
Do.	5	'64	94½	97½	94½
†Can. Nor. Pr.	5	'53	101½	103½	101½
†Cedars Rapids	5	'53	113	115	113
Dom. Gas	6½	'45	83½	86	87
§Duke-Price Pr.	6	'66	103	106	104
*Gatineau Pwr.	5	'56	87	89	87
*Do., A	6	'41	75½	78	71½
*Do., B	6	'41	75	77½	71½
*Int'l. Hydro	6	'44	47	49½	47
†Maclaren-Que.	5½	'61	71	74	70
Do.	5½	'64	70	73	70
*Manitoba Pwr.	5½	'51	66½	69½	67½
†Mtl. Island Pr.	5½	'57	104½	107	104½
†Montreal Pwr.	5	'51	107½	109½	107½
†Montr'l Tram.	5	'55	85	87½	85
†Do.	5	'41	102½	105	103
Nat'l L. & P.	6	'49	91	94	91
†N. S. L. & Pr.	5	'58	102½	105	102½
†Ottawa Light	5	'57	105½	108	105½
†Ottawa Val. Pr.	5½	'70	87	90	87½
†Power Corp.	4½	'50	87½	90½	89
†Prov. Lt. & P.	5	'46	106	...	106
*Quebec Pwr.	5	'68	105	106	105
†Shawinigan	4½	'70	100	102	100
†Do.	5	'70	104½	107½	104½
†S. Canada Pr.	5	'55	104½	107½	105½
†United Secs.	5½	'52	79½	82½	79½
†W. Koot. Pwr.	5	'56	106	108	106
†Western Pwr.	5	'49	105	107½	105
*Winnipeg Elec.	5	'35	99	101	98½
*Do.	6	'54	68	71	68
Industrial & Realty Issues:					
Abitibi Pwr.	5	'53	33	35½	33
†Alta. P. Grain	6	'46	93½	96	94
Brand.-Hend.	6	'36	98	...	98
B. A. Oil	5	'45	106	108	106
Do.	4	'45	102	104	101½
†B. C. P. & P.	5½	'48	69	72	67
Burns & Co.	6	'50	66½	...	66½
Can. Biscuit	6½	'46	15½	18½	...
Canada Bread	6	'41	106	109	106
†Can. Cement	5½	'47	104½	106½	104½
†Can. Paper	5	'45	101½	...	101½
‡Can. Ss. Lines	5	'43	102½	...	100
Do.	6	'41	42	44½	40½
†Can. Canners	6	'50	104½	106½	104½
Can. C. Felt	6	'40	103½	...	103½
C. P. R.	4½	'44	96½	99½	96
Do.	4	'49	96	98	95
Can. Rail. & H.	6½	'51	41	44	40
†Can. Vickers	6	'47	79½	82½	79
Cons. Paper	5½	'61	20	23	18½
†Dom. Canners	6	'40	108	111	108
†Dominion Tar	6	'49	101	103½	102
†Donnacona P.	5½	'48	44	47	44
†East. Dairies	6	'49	88½	92	87½
Eaton Realty	5	'49	100	102	100
†Fam. Players	6	'48	102½	104½	102½
†Do.	6½	'48	97	100	97
†Federal Grain	6	'49	97	100	97
Fraser Cos.•	6	'50	75½bid	...	72
▲Do.	6	'50	70 bid	...	67
†G. Steel Wares	6	'52	97	100	96
Gt. Lakes Pap.	6	'50	37	39½	38
†Gypsum, Lime	5½	'48	92½	95½	90
Ham. Cottons	5½	'48	100½	103½	100
*Ham. By-Prod.	5	'50	97½	99½	97½
*Hinde & Dauch	5½	'48	102	105	102
†I. P. & P. Nfld.	5	'68	101	103½	101
Int. City Bak.	5½	'48	100½	...	100
Inter-City West. Bakeries	6½	'50	26½	29	26½
Kingston Elev.	6	'50	91	94	90
Lake St. John P. & Pa.	6½	'47	75	80	71½
†Lon. Can. Inv.	4½	'48	86	90	85
London Realty	6	'50	88½	92	89
†Massey-Harris	5	'47	87½	90½	88
McColl-Front.	6	'49	104	106	104
Metropolitan B.	7	'44	101	...	101
M. & O. Paper	6	'45	20	23	18
‡Mont. Cottons	5	'47	101	...	101
Mtl. Dry Docks	6	'48	67½	70½	67
Nor. Ont. Bldg.	6½	'39	94	97	94
Price Bros.	6	'43	88	92	87½
*Prov. Paper	5½	'47	101½	104	101½
Queen's Hotel	6	'47	85	90	85
*Reliance Gr.	6	'48	101	104	101
‡Riordon Pulp	6	'42	104	...	104
†Rolland Paper	5½	'48	104	106	104
St. Law. Flour	6	'41	103	...	103
†Simpsons Ltd.	6	'49	103	105½	103½
Do.	5½	'49	101½	103½	101½
†Smith, How'd.	5½	'53	104	106	104
‡Steel of Can.	6	'40	111½	...	111½
United Amuse.	6	'42	99	102	98½
United Corps.	5	'53	91	...	90
United Grain	5	'48	97	100	96
Do.	5½	'49	99	102	98
‡Wabasso Cott.	6	'47	102½	...	102½
Do.	7	'42	104½	...	104½
Western Grain	6	'49	76½	79½	77
Woods Mfg.	6	'43	101	...	101
Zimmerknit	6	'51	100	...	100

‡Payable in Canada or U. K. †Payable in Can., U. S. or U. K. §Payable in U. S. only. *Payable in Can. or U. S. •Unstamped. ▲Stamped.

Unlisted Mines

November 26, 1935

	Bid	Asked
Ascot	.26	.28
Arntfield Syndicate	1.00	1.10
Athona (Gt. B. L.)	.36	.38
Athabaska Portals	..	.28
Bailor	..	.01
Bidgood Kirkland	.15	.16
Bankfield Gold	.30	.33
Bathurst	.00½	.01½
Bosquet Gold	.04	.05
Can. Pandora	.03½	.04½
Casey Summit	.11	.14
Canusa Mining	.04	.05
Casey Contact	.02½	.03½
Central Porcupine	.22	.24
Cons. Chib. Free	.70	.72
Cons. Chib. Pool	..	.70
Columario Cons.	.00½	.01½
Dunlop Cons.	..	.01
El Bonanza	.12½	.14
Forty-four Gold	3.50	4.50
Glenora Gold	.05½	.06½
Galatea	.09	.10
Goldside	.02½	.03½
Gold Eagle	.20	.22
Greenlaw	.04½	.05
Hislop Gold Free	..	.06
Hudson Patricia	.07½	.08½
Jellicoe	.05	.06
Johnson Nipigon	.01½	.02½
Kirk. Lake Belt	.06	.07
Knee Lake	.26	.28
Lafayette L. Lac	.03½	.04½
La Palme	.45	.49
Long Lac Lagoon	..	.03½
Lamaque Gold	2.45	2.55
Leitch Gold	.30	.33
MacL. Cockshutt	.03½	.04½
Magnet Lake	.02½	.03½
Matachewan Can.	.14	.16
McCarthy Webb	.05	.06
Mosher	.01½	.02½
Murmac	.13	.15
North Shores	.02½	.03½
Oklend	.24	.26
O'Leary	.08½	.09½
Omega	.55	.57
Opemiska	1.40	1.45
Pamour Porc.	3.70	3.75
Rice Lake	.01½	.02½
Shawkey	.64	.66
Silverado Gow.	..	.27
Sladen	.20	.22
Smelter Gold	.06	.07
Smith Cobalt	.08	.10
Springer	.07½	.08½
Straw L. Beach	.06	.08
Sturgeon R. Gold	.64	.68
Thom.-Cadillac	.03	.04
Wells Long Lac	..	.06½
Wingold	.03	.04
Young Davidson	.18	.20
Wendigo	.13	.15

Mining Dividends

	Rate	Close Nov. 25	Yield %
Anglo-Huronian	20c	4.10	..
Buff. Ankerite	20c	3.55	5.6
Bulolo Gold	2.60	32.25	8.0
Coniagas‡	12½c	3.15	..
Cons. Smelters	$1.25	203.50	..
Dome Mines	$2+$2	40.75	9.8*
Falconbridge	30c	5.75	5.2
Hollinger	65c+25c	14.55	6.2*
Howey Gold	5c	.61½	..
Hudson Bay	$1	19.75	5.0
Int. Coal & Coke‡	1c	.19	..
Inter. Mining	60+5c	11.35	5.7*
Int. Nickel c.	$1	39.12	2.5
Kirk. Lake‡	3c	.38	..
Lake Shore	$2+$2	53.50	7.5*
Macassa	15c	2.73	5.5
McIntyre	$2	39.75	5.0
McKinley Sec.	5c	.45	..
McWatters Gold†	5c	1.60	..
Nipissing	12½c	2.55	..
Noranda‡	$1	43.37	2.3
Nor. Canada†	2c	.23	..
Premier	12c+1c	1.78	7.3*
Pioneer, B.C.	80c	9.80	8.2
Reno	12+2c	.97	14.4
San Antonio	14c	3.05	4.5
Siscoe	20c+3c	2.66	8.6*
So. Amer. Gold	30c	5.10	5.9
Sylvanite	20c	2.35	8.5
Teck Hughes	40c	4.45	9.0
Toburn	8c	1.10	7.3
Wright-Har.	40+20c	7.65	7.8*

‡Interim. †Initial. *Yield includes bonus.

Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

November 26, 1935

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, c.	3.15	
Do., 6% pfd.	4.70	
Acme Farmers Dairy, 7% p.	38.00	
Andian National Corp.	50.00	
B. C. Pulp & Paper, c.	1.00	
Burns & Co., A	6.75	
Do., B	3.75	
Canada Starch, c.	16.00	
Do., 7% pfd.	86.00	
Canada Tea, pfd.	33.50	
Can. Tube, 1st pfd.	33.00	
Can. Wire & Cable, 6½%, p.	80.50	
Can. Industries, A, c.	203.00	
Do., B, com.	202.00	
Can. Industries, 7% pfd.	164.00	
Can. Paperboard, pfd. bonus	4.25	
Can. Westinghouse	57.50*	
Chase, A. W., pfd. bonus	24.50	
Claude Neon Adv. Units	4.25	
Dom. F. & St., c. (New)	30.00	
Do., 6% pfd. (New)	86.00	
Donnacona Paper, A	2.50	
Dunlop Tire, 7% pfd.	60.00	
Edmonton C. Dairy, pfd.	55.00	
Federal Grain, com.	1.25	
Do., 6½% pfd.	39.00	
Goderich Elev. & Transit	6.00	
Greening Wire, pfd.	102.00	
Guelph Carpet, pfd.	99.50	
Do., com.	14.25	
Highland Dairy, c.	2.00	
Do., pfd.	72.00	
Huether Brew., pfd. bonus	2.40	
Mercury Mills, pfd.	5.00	
Morrow Screw, pfd.	98.00	
New M. Laund., pfd. bonus	72.00	
Provincial Paper, pfd.	97.75	
Reliance Grain, pfd.	81.00	
Robinson Consol. Cone	10.60	
Ruddy, E. L., pfd.	30.50	
Silverwood's Dairies, pfd.	40.75	
Stand. Fuel, p. bonus	106.00	
Supert. Petroleum, B, pfd.	27.75	
Toronto Carpet, pfd.	27.00	
United Steel, A, pfd.	5.00	
Western Grain, pfd. bonus	10.50	
Willards Chocolates, pfd.	9.00	
Trust & Loan Stocks:		
Chartered Trust	76.00	80.00
London & Western Trust	35.00	40.00
Premier Trust	88.00	91.00
Sterling Trust	30.00	35.00
Traders Finance, B, pfd.	64.50	...
Trusts & Guarantee	28.00	
Sherbrooke Trust	110.00	...
Insurance Stocks:		
British America	36.00	38.00
Canada Life	500.00	510.00
Canadian Fire	77.00	
Canadian Ins. Shares, com.	9.00	
Confederation L. 20% pd.	113.00	
Continental Life 20% pd.	36.00	
Crown Life	100.00	
Dominion Fire	110.00	
Dominion Life 50% pd.	265.00	
Dom. of Can. Gen.	79.00	
Empire Life 5% pd.	6.00	
Excelsior Life 30% pd.	69.00	
Federal Fire 25% pd.	34.50	
Fidelity Ins. of Can.	48.00	
Great West Life	387.00	
Guar. Co. of N. A. fully pd.	250.00	
Halifax Fire	21.00	
Imperial Life	315.00	
Manufacturers Life	250.00	
Monarch Life 10% pd.	17.50	
National Life 25% pd.	53.00	
Sovereign Life 25% pd.	13.50	
Sun Life Assurance	426.00	
Toronto General	4.50	
Western Assurance, c.	36.00	
Western Assurance, pfd.	38.50	
Theatre Stocks:		
Allens Beach, pfd.	58.00	
Do., Calgary Ltd., com.	7.35	
Do., Kingston, pfd.	51.00	
Do., Parkdale, pfd.	41.00	
Do., Toronto 7% pfd. b. c.	27.50	
Loew's London 7% pfd.	1.90	
Do., Toronto, pfd.	112.00	
Mansfield Theatre, pfd.	32.00	
Paramount Kitchener, pfd.	30.00	
Do., Oshawa, pfd.	60.00	
United Amusement, A	13.50	
Do., B	12.00	
Investment Trust Shares:		
Can. Gen. Invest.	7.10	
Can. Investors Corp.	6.50	
Can. Int. Tr. Units	28.50	
Cons. Div. Std. Sec. Units	10.75	
Debenture & Sec., 5% pfd.	34.00	
Dom. Scottish Invest. Units	25.00	
Foreign Power Sec., pfd.	5.25	
Invest. Foundation Units	42.00	
Sec. Holding Corp. Units	12.00	
United Corpns., A	23.00	
Do., B	8.25	
Power Issues:		
Calgary Power, pfd.	79.00	80.00
Can. Light & Power, com.	21.50	
Can. Public Service, pfd.	28.50	
Can. West. Nat. Gas, pfd.	91.25	
Do., com.	22.50	
Great Lakes Pwr., 7% pfd.	72.00	
N. B. Telephone, com.	10.75	
Nor. Ont. Power, 6% pfd.	98.75	
N. S. L&P, pfd.	99.25	
Recent London Quotations:		
British Columbia Tele., pfd.		
Brewers & Distillers	5s.	
Canada Company	7s. 6d.	
Canadian & Foreign Securities	4s.	
Canadian Collier, $1 c.	11d.	
Do., pref., $10	4½d.	
Canada N. W. Land	10s.	
Canadian Western Lumber	1s.	
Do., pref.	102s. 6d.	
Third Can. Gen. Inv.	6s. 6d.	
Hudson's Bay	20s. 6d.	

Dividends

	This payment	Date payable	Date of record
Andian Nat.	$1+$1	Dec. 2	Nov. 1
Agnew-Surpass pf.	$1.75	Jan. 2	Dec.
Anglo-Huronian c.	20c	Dec. 2	Nov.
Acadia Sugar, pf.	7½c	Dec. 2	Nov.
Do., on arrears	7½c	Dec. 2	Nov.
Acme Glove, pfd.	81½c	Dec. 14	Nov.
Bk. of N. Scotia	$3	Jan. 2	Dec. 1
Bonded Corp. tr. c.	10c	Dec. 1	Nov. 2
Bright, T. G.	7½c	Dec. 15	Nov. 30
Do., pref.	$1.50	Dec. 15	Nov. 30
Biltmore Hats, pf.	$1.75	Dec. 14	Nov. 1
Bunker Hill	50c	Dec. 2	.....
Borden Co. c.	40c	Dec. 2	Nov. 1
Bulolo Gold Dr.‡	$1.40	Dec. 10	Nov. 12
Bk. of Montreal	$2	Dec. 2	Oct. 31
Bk. Can. Nationale	$2	Dec. 2	Nov. 1
Bank of Tor. c.	$2.50	Dec. 2	Nov. 1
Can. Bk. of Comm.	$2	Dec. 2	Oct. 31
Can. Hydr. Elec., p.	$1.50	Dec. 2	Nov.
Caribou Quartz	2½c	Jan. 1	Dec. 2
Cons. Div. Std. Sec. pfd.	25c	Dec. 15	Dec. 1
Canada Bud. c.	20c	Dec. 20	Dec. 2
Corr. P. Box, pf.	$1.75	Dec. 1	Nov. 1
Can. Dom. Sugar, c.	37½c	Dec. 1	Nov. 1
Can. Vinegars	40c	Dec. 2	Nov.
Can. Cottons	$1	Jan. 2	Dec.
Do., pref.	$1.50	Jan. 2	Dec.
Can. Gen. Elec., c.	75c	Jan. 1	Dec. 1
Can. Malting	37½c	Dec. 15	Nov. 30
Do., extra	50c	Dec. 15	Nov. 30
Can. Perm. Mtge.	$2	Jan. 2	Dec. 14
Can. W. N. Gas, pf.	$1.50	Dec. 2	Nov. 15
Dom. Scott. Inv. p.	25c	Dec. 1	Nov. 30
Dom. Textile	$1.25	Jan. 2	Dec. 16
Do., pref.	$1.75	Jan. 15	Dec. 31
Dome Mines	50c	Jan. 20	Dec. 31
Dominion Bank	$2.50	Jan. 2	Dec. 20
Falconbridge N.	7½c	Dec. 21	Dec. 1
Gachin Gold	25c	Dec. 31	Dec. 15
Grouped Inc. shs. A	7c	Nov. 30	
Howey Gold	2c	Dec. 14	Nov.
Granby Cons.*	$5	Dec. 2	Nov.
Hudson B. Mining	50c	Dec. 16	Nov.
Hollinger Cons.	5+5c	Dec. 2	Nov.
Ham. Un. Theat., p.	$1	Dec. 31	Nov.
Imperial Oil	25c	Dec. 2	Nov.
Do., Special	37½c	Dec. 2	Nov.
Inter. Petroleum	75c	Dec. 2	Nov.
Do., Special	50c	Dec. 2	Nov.
Inter. Nickel c.	25c	Dec. 31	Dec.
Inter. Mining	15c	Dec. 20	Nov. 29
Do., extra	5c	Dec. 20	Nov. 2
Lake Shore M.	50c	Dec. 16	Dec.
Do., extra	50c	Dec. 16	Dec.
Laura Secord c.	75c.	Dec. 2	Nov. 1
Little L. Lac Gold	10c	Jan. 20	Dec. 1
Loblaw. A & B	25c	Dec. 2	Nov. 1
L. of W. Mill, p.	•$1.75	Dec. 16	Nov. 3
Louisiana Land, c.	10c	Dec. 16	Dec.
McKinley Mines c.	2½c	Dec. 2	Nov. 2
McIntyre-Porc. c.	50c	Dec. 2	Nov.
McLennan, McFeeley c. A	10c	Dec. 30	Dec.
Do., c. B	10c	Dec. 30	Dec.
McWatters G., M.	5c	Dec. 18	Dec.
Monarch Knit pf.	$1.75	Jan. 2	Dec. 1
Melchers, D. A.	•50c	Dec. 16	Dec.
Mtl. Cottons, pf.	$1.75	Dec. 15	Nov.
N. Meth. Ldry., pf.	$1.62½	Dec. 1	Nov.
Ogilvie Flour, pf.	$1.75	Dec. 2	Nov.
Nat. Biscuit	40c	Jan. 15	Dec.
Do., pref.	$1.75	Nov. 30	Nov.
N. S. Light & P. p.	$1.50	Dec. 2	Nov. 1
Provincial Bank	$1.50	Dec. 1	Nov. 1
Pioneer Gold	20c	Jan. 2	Dec.
Rosedale Gold M.	1c	Dec. 1	Nov.
Reliance Grain, pf.	$1.62½	Dec. 14	Nov.
Reno Gold	12c	Jan. 2	Dec.
Royal Bank c.	$2.00	Dec. 2	Oct.
Rolland Paper pf.	$1.50	Dec. 2	Nov.
Royalite Oil	50c	Dec. 2	Nov.
Do., special	25c	Dec. 2	Nov.
Std. Silver & Lead	1c.	Dec. 20	Dec.
Sylvanite Gold	5c	Dec. 31	Nov. 2
Siscoe Gold	5c	Dec. 16	Nov. 3
South. Can. Pr. pf.	$1.50	Jan. 15	Dec. 2
Teck Hughes	10c	Jan. 2	Dec. 1
Tor. Elevators pf.	$1.75	Jan. 15	Jan.
Walker, H., pfd.	25c	Dec. 16	Nov.
W.-Hargreaves	10c	Jan. 2	Dec. 1
Do., extra	5c	Jan. 2	Dec. 1
Zellers, pfd.‡	$1.50	Dec. 15	Nov. 3

‡Interim.
*Capital distribution.
•On arrears.

Week In Wheat

Demand Ebbs

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Wheat Board Policy

Wheat prices at Winnipeg developed an easier tendency during the week, and net losses had the effect of wiping out most of the gains recorded during the preceding week.

Observers attach more than usual significance to the fluctuations of the Winnipeg market at the moment. A week ago, the Canadian Wheat Board, observing some strength in Chicago, which was reflected in increased demand for Canadian wheat from American millers, advanced the price at which it would do business. Although it was able to get the higher price on limited quantities, it found it necessary to come down when demand was not maintained.

The hopeful feeling was strengthened by some temporarily bullish sentiment in Liverpool. That, it was later disclosed, was due mainly to the fact that world shipments for last week, at little over 8 million bushels, were extremely small. North America's share was only slightly over 3.5 million bushels.

While Liverpool might be momentarily alarmed at a reduction in immediately available supplies, no permanently bullish construction could be placed on such figures. That was especially the case when Black Sea shipments were disclosed as sharply higher, and when a tendency was disclosed for Australian shipments to the Orient to fall off.

The changing sentiment was mainly evident at Chicago, and the Winnipeg action is to be mainly interpreted as a more or less deliberate shifting of our price basis under wheat board influence, as there are only small quantities of wheat except under board control.

The board has lately been credited with a very tight holding policy, and stories are in circulation respecting its unwillingness to part with wheat to various interests. Canadian millers have been renewing complaints that prices have been held just beyond the point at which it would be possible for them to do business. Other interests report inability to secure quotations on cash wheat in various positions. This is taken to mean that the board is willing to hold its wheat except such quantities as are immediately to be exported.

There has been a daily crop of rumors of possible changes in wheat board personnel, and some of the reluctance of possible wheat purchasers to make commitments for the future has probably been due to a decision to await definite information.

A Critical Time

THE three months period commencing December 1 will be the critical time so far as satisfactory disposal of Canadian wheat this year is concerned.

By March 1 new crop Argentine wheat will be available in quantity in Great Britain and on the continent. Although the Argentine crop is small, it will eventually provide considerable quantities for European needs between March 1 and the time that 1936 wheat becomes available in the northern hemisphere.

British and continental buyers have so far this year managed with even less Canadian wheat than they took last year, although within the past few weeks their takings from Canada have been at a fairly substantial rate. If reasonable expectations are realized, they may require our wheat at a decidedly increased rate during the next ten or twelve weeks, as supplies available from other sources are comparatively small.

During the same period the demand from United States mills for Canadian wheat is expected to be increased, as available quantities of United States hard spring milling wheat have become depleted. After March 1 it is possible that American use of Canadian wheat will be carefully restricted, awaiting new crop developments, as neither millers nor flour buyers will want to be caught with any large supplies on hand when new hard red winter wheat becomes available.

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Export Prospects

WEEKLY disappearance of Canadian wheat for the next ten or twelve weeks might conceivably run as high as 8 million bushels, or about 5 millions overseas, 2 millions to the United States, and a million for home consumption. If business reaches that figure, or conceivably surpasses it, it will be considered highly satisfactory, whereas an average that does not pass 6 million bushels weekly, or about 4 millions overseas, one to the United States and one in Canada will be considered disappointing.

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Elevator Supplies

CANADA is ready to do a big business, going into the winter with a tremendous accumulation of grain which is choking eastern elevator space.

Of such wheat, many million bushels are being carried for United States mills, at Buffalo and various other United States ports. If they are able to sell flour made in part from Canadian wheat in sufficient volume at the higher price which is imposed by the 42 cents a bushel duty, they will know where to put their hands on the wheat. If the demand proves small, as evidently they do not expect, it will be possible to turn this wheat back into regular export channels to be offered for overseas shipment.

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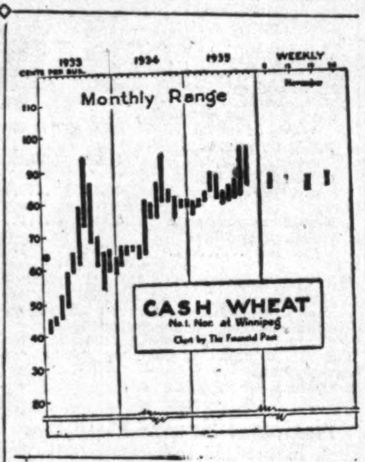
Watching the Board

OF THE remainder of the wheat in the east, the Canadian Wheat Board is credited with owning outright the greater part. At times exporters have bought some fairly large quantities and have arranged to carry it in eastern elevators until required, but lately the interests which usually forward grain across the lakes have been showing a good deal of nervousness about such business.

With the wheat board the owner of many millions of bushels of competitive wheat, any change in the ideas of that organization as to the comparative value of grain of different grades or in different positions could create the possibility of loss to other holders.

It is also claimed that the board has not been anxious to sell to other interests which might carry grain in various positions, and there is a general impression that it has preferred to handle the lake forwarding of grain itself.



The term wheat board is used to include operations carried on for government account, and under government guarantee, through Canadian Co-operative Wheat Producers Ltd. So far as can be learned the latter organization has not yet turned over to the board its accumulated wheat, but the assumption is that there is a common administration.

POLICY OF CANADA STILL DOMINATES WHEAT SITUATION

World supplies of wheat, outside Russia and China, are reported at 4,360 million bushels by the Bureau of Agricultural Economics, at Washington. This is a decrease of 240 million bushels from the 1934-35 season. The current supply is 500 million bushels less than the 1928-32 average.

The reduced supply this year, says the bureau, results from smaller stocks in all major countries except Canada. Should crops in the southern hemisphere turn out as expected, stocks will probably decline further by at least 125 million bushels by the end of the 1935-36 season. This would bring the world supply "well down toward normal."

Canadian Policy

The bureau says that "with another small wheat crop in the United States and a prospective heavy reduction in the crop in the southern hemisphere, the export market will be dominated by the policy governing the disposal of the large Canadian supplies during 1935-36."

Supplies of wheat in exporting countries, available for export or carryover in 1935-36, are estimated at about 720 million bushels, of which Canada could supply 395 million bushels. In addition Russia could probably supply about 50 million bushels.

Wheat Estimates Considered Low

Although some members of the trade consider that the Dominion Government's estimate of the western wheat crop, at 256 million bushels erred on the small side, the calculations of the Northwest Grain Dealers Association give an even smaller total at 250 million bushels.

Estimates of an off-grade crop, such as that of 1935, are difficult to make, and an error of 10 million bushels would not be large.

CANADIAN WHEAT MUST BE SOLD AT WORLD PRICE

Observers See Urgent Need of Aggressive Sales Policy

For 5 years, before the depression, Canada sold on the average each year some 309 million bushels of wheat, whereas this last crop year just ended Canada sold only 166 million bushels, showing a decrease of 46 per cent.

Why has this happened?

Two separate and distinct causes, quite unrelated to each other, have brought about this great decrease in Canadian wheat sales, according to an analysis of the situation by the Searle Grain Co. They are as follows:

(1) A decrease of 31 per cent since the depression in the total quantity of wheat exported overseas from exporting countries to importing countries. Naturally Canada could hardly help but take her share of this decrease, although, on account of the virtual disappearance of the United States wheat exports during the last two years, it might have been expected that Canada would have won some of the trade previously filled by that country.

Therefore, some argue that Canada's decrease should have been less than 31 per cent. However, the full 31 per cent decrease means that Canada should have sold, this last year, at the very least 213 million bushels.

Exports Lower Than Expected

Actually Canada only sold, as stated, 166 million; therefore she sold 47 million bushels less than she could reasonably have been expected to export.

(2) That Canada failed to maintain her proportion of the sales of even the decreased total world quantity actually exported, and so she has lost the sale of at least 47 million bushels or more which was won by other exporting countries, chiefly by the Argentine.

Higher Than World Prices

The reason for this situation is that the price of Canadian wheat on the world's markets was held at a substantially higher price than that of competing wheats offered by the Argentine, Australia and other export countries.

Can Sales Increase?

What are Canada's hopes of increasing her sales? They appear to be quite good, the analysis says, provided:

1. That the governments of the world will abandon the present tendency of each country attempting to live within itself, to become self-sufficing, and will embark rather on a policy of economic liberalism, by which the nations will be willing to permit imports from other countries in a reasonably free manner.

This means that the wheat exporting countries of the world—Canada included—will have to be willing to permit a larger volume of imports, chiefly manufactured goods, to come in from countries which normally purchase Canadian and other exporters' wheats, for it is true, as long experience has shown, that as imports from other countries are increased, so are exports increased almost in proportion.

At World Price

2. That an aggressive sales policy for Canadian wheat, as quickly as possible, will be instituted, so that Canadian high quality wheat can meet the competition of the wheats, and indeed of all other foodstuffs from other countries of the world.

So long as Canadian wheat is maintained on the markets of the world at a price relatively higher than the value of other wheats, which millers satisfactorily can use to make their flour, so long will Canadian wheat tend to remain unsold. Also there will be a tendency to lose markets and force millers to become accustomed to the use of other wheat. Habits and custom by millers and other manufacturers, once established, are hard to break down.

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Terminal elevators (Nov. 22)	70,044,000	72,116,000	81,924,000
Country elevators (Nov. 22)	86,567,000	86,451,000	98,411,000
Total (all points), (incl. Nov. 8 Term. wk. Nov. 22)	156,611,000	158,567,000	180,335,000
World Shipm'ts. (incl. flour), (wk. Nov. 11)			
North American	4,197,000	4,089,000	4,232,000
Argentine	1,783,000	1,484,000	4,200,000
Australian	2,163,000	2,787,000	2,808,000
Others	2,504,000	2,312,000	1,128,000
Total (world)	10,647,000	10,672,000	12,368,000
Visible Supply:			
Canada (Nov. 22)	264,288,000	267,486,000	257,400,000
United States (Nov. 9)	90,160,000	90,406,000	110,218,000
Country Marketings and Exports:†			
Canadian exports (Nov. 15)	3,804,000	3,111,000	3,000,546
Cum. to Nov. 15 (15 weeks)	39,092,000	35,461,000	46,028,000
Country marketings (Nov. 8)	4,887,000	7,822,000	6,953,000
Cum. to Nov. 8 (14 weeks)	157,786,000	146,899,000	147,380,000
Country deliveries (cum. Nov. 22)‡	161,674,000	157,477,000	159,497,000
Country loadings (cum. Nov. 22)‡	120,930,000	117,099,000	120,054,000

†Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to Nov. 26, 1935

Crop year from Aug. 1, 1935 High	Low		Open Nov. 20	High for week	Low for week	Close Nov. 26
		Wheat				
.98¼	.82	Dec.	.84⅛	.88⅜	.84⅝	.86
1.02¼	.85⅜	May	.88¾	.92½	.88½	.89⅞
.98	.82	Nov.	.85⅜	.88⅞	.84⅞	.86⅝
.92⅞	.86½	July	.89⅛	.92⅞	.88⅞	.90⅛
		Oats				
.33⅛	.27⅛	Dec.	.29	.30	.28⅞	.29
.35⅜	.29⅝	May	.30¼	.32⅛	.30⅝	.31⅜
.32⅜	.30	July	.31⅛	.32⅜	.31	.31⅝
		Barley				
.39½	.31⅝	Dec.	.34	.34½	.33	.33
.42½	.34¾	May	.36¼	.37	.36	.36
.38	.36⅞	July	.37⅛	.38	.36⅞	.37
		Flax				
1.48⅜	1.19¾	Dec.	1.40¼	1.41¾	1.39¼	1.39¼
1.54	1.33	May	1.43	1.44¾	1.42	1.42
1.46¼	1.36	Nov.	1.40¼	1.41	1.39	1.29½
		Rye				
.49½	.37⅜	Dec.	.42¾	.43⅝	.41⅝	.41⅝
.51⅞	.41¼	May	.45¾	.46⅝	.44½	.45
.47⅝	.44⅛	July	.47	.47⅝	.45½	.46

Fear Wheat Board Loss, Farmers Seek New Buyers

If wheat prices advance so that the market is higher than the Canadian Wheat Board's price, direct sales by farmers will be resumed.

But for weeks, all wheat delivered by farmers has been going to the board because its prices have been higher on every grade than the prevailing market. It was formerly calculated that the market had to be about two cents a bushel above the wheat board price before most farmers would sell outright, or in other words that they would take a chance on the board participation certificates being worth 2 cents a bushel. Some farmers would even take the risk at a difference of five cents, but not many beyond that point.

Now, however, the idea is pretty well abroad that the wheat board is likely to incur a loss on the year's operations, and that participation certificates in consequence will be valueless. Consequently farmers are expected to be on the lookout for any opportunity to do even fractionally better than the wheat board price.

Little Selling Pressure

As the additional wheat to be delivered by farmers cannot much exceed 50 million bushels, according to latest crop estimates, the selling pressure at any time cannot be large.

Stronger Cash Position Sought By Sask. Pool

From Our Own Correspondent

REGINA.—The consolidated balance sheet of the Saskatchewan Co-operative Wheat Producers Ltd. and its operating subsidies, the whole usually called the Saskatchewan Wheat Pool, as prepared by George A. Touche Co., shows total current assets amounting to $12.7 millions and total current liabilities of $5.8 millions as at July 31, 1935, the end of the pool's fiscal year.

After providing for completion of certain elevators under construction at the end of the year estimated to cost $162,500, pool working capital position is shown at $6.8 millions. This represents an increase of slightly over $800,000 for the year.

	$
Current assets:	
Cash in banks and hands of country payors	422,894
Accounts receivable	2,773,435
Stocks of grain	9,576,372
Stock in trade of pool's printing plant	4,679
Total current assets	12,777,382
Current liabilities:	
Outstanding cheques, grain drafts, cash tickets, etc.	1,379,616
Current accounts payable (including an item of grain loans amounting to $3,087,000)	4,328,173

$14,912 Due Growers

There is also included an item of $14,912 representing an amount due growers who had delivered to the pool prior to 1930, but whose certificates have not yet been surrendered.

Working Position

Working capital position of the pool has been substantially improved during the last five years as a result of the transfer of all surplus earnings of the pool's principal subsidiaries, Saskatchewan Pool Elevators Limited and the Saskatchewan Pool Terminals Limited, to undivided profits account. At the end of the fiscal year this item stood at $2.5 millions.

Prior to 1930 the Saskatchewan Pool Elevators paid a regular dividend of six per cent on its paid-up capital to the parent body, Saskatchewan Co-operative Wheat Producers Limited, which holds the entire issued stock.

Overpayment in 1929

Up to the time dividends were suspended, the pool elevators had returned to the parent body a total of $1.9 millions which in turn was distributed to pool members holding pool certificates. Since then, following an overpayment on the 1929 pool amounting to $13.5 millions, settlement for which was made to the banks by the provincial government, no distribution of profits has been made. The principal operating subsidiary, the pool elevators, has met the installment of principal and interest due the Government of Saskatchewan each year. Any surplus remaining has been transferred to the undivided profits account.

Payment of some $1.2 millions has been made each year to the province. This represents the amount payable under an agreement with the Government by which the pool agreed to pay the Government the total amount of the bond issue plus interest in 19 equal amortized payments. The principal owing the province now stands at $12.2 millions.

Cost of $20 Millions

By the time the pool has retired the overpayment bond issue it will have cost the organization in the region of $20 millions, including interest, provided payments are made according to schedule. The pool, however, retains the right of paying off the total amount at an earlier date, provided necessary funds are available. There is no indication how long the pool will continue to defer distribution of profits.

Strengthening Position

It appears that the pool intends to build up a strong capital position so it will be in a position to secure substantial credits required by its operating subsidiary, Saskatchewan Pool Elevators Limited, to finance grain purchases. It is understood that for the current year the pool's line of credit is in the neighborhood of $25 millions.

Alberta Seed

A recent survey by the Alberta government of winnings in grains and livestock by Alberta farmers during the past thirteen years at the Royal Winter Fair and the Chicago "International," shows that in the seed grain classes practically every part of the province contributed, or 16 out of the 17 divisions.

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423 COUNTRY ELEVATORS THROUGHOUT THE WEST
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Our Service and Facilities Guarantee Satisfaction

Wheat Prices

(Cash Quotations)

	Aver. for wk. Nov. 16	Previous week
At Winnipeg	$	$
No. 1 Man. Hard	0.860	0.859
No. 1 Northern	0.847	0.847
No. 2 Northern	0.828	0.823
No. 3 Northern	0.774	0.768
No. 4 Northern	0.720	0.706
No. 5 Wheat	0.636	0.636
No. 6 Wheat	0.597	0.598
Feed Wheat	0.460	0.436
At Vancouver:		
No. 1 Northern	0.820	0.825
At Toronto:		
Milling Wheat	0.72	0.72

Competitive Export Prices: (November) shipment:

	High Week to Nov. 21 $	Low $
No. 1 North. (Vanc.)	1.01¾	0.99¾
No. 2 North. (Atlan.)	0.97⅞	0.96¼
No. 2 North. (Vanc.)	0.99	0.97
Argentine Rosafe*	0.81⅞	0.81½
Do., Barusso*	0.80⅜	0.79⅛
West Australian (Dec.)	0.86½	0.85⅜
French	0.71¾	0.70¾
Russian	0.88⅛	0.87

*New crop, shipment Jan.-Feb.

Alberta Leads America In Grain Prize Winning

A survey reveals that in the 13 years since the Royal Winter Fair was created, Alberta has won a grand total of 2,770 prizes of all kinds in both grains and livestock at the two major exhibitions of the continent, the Toronto Royal and the Chicago International.

This is a record which, the report says, cannot be challenged by any similar territory in America. Of this total 740 were in seed grains, and the balance of 2,039 were in livestock, poultry, dairy products, etc.

GRAND TRUNK PACIFIC ELEVATOR CO.
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LOCATED AT FORT WILLIAM ON C. N. R. & C. P. R.
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OPERATED BY ELECTRICITY—CAPACITY 5,750,000 BUS.
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J. E. Dudley, Vice-Pres. and Gen. Mgr.

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Shippers and Exporters
Owning and Operating
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(Capacity 5,500,000 bushels)
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WINNIPEG MONTREAL
VANCOUVER
CALGARY EDMONTON
MOOSE JAW
SASKATOON REGINA
KINGSTON TORONTO
JAMES RICHARDSON & SONS Limited

UNITED GRAIN GROWERS LIMITED

AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet, July 31, 1935

ASSETS

Current Assets:			
Cash on Hand and in Banks		$ 76,271.27	
General Accounts Receivable Including advances secured by farmers' grain, storage charges and other accruals after providing for estimated doubtful accounts.		405,898.23	
Provincial Government Accounts Re sales of grain for seed and feed purposes, fodder, etc.		200,280.36	
Inventories As determined and certified to by responsible officers of the Company:			
Grain Stocks of grain which are net after deducting outstanding storage tickets, etc., valued at July 31, 1935, as to terminal stocks at closing market prices and as to country stocks on the basis of market quotations adjusted for handling and carrying charges.	$3,098,224.05		
Twine, Coal and Sundry Merchandise At cost.	656,034.11	3,754,258.16	$ 4,436,708.02
Investments:			
Memberships, not exceeding market values		$ 65,775.80	
Mortgages and Agreements of Sale		30,767.41	
Other Securities—Preferred and Common Stocks At book values		16,500.00	
			113,043.21
Deferred Charges:			
Bond Discounts and Expenses Less amounts written off.		$ 243,918.06	
Deferred and Prepaid Expenses		62,998.17	
			306,916.23
Bonds Purchased in Anticipation of Sinking Fund Requirements:			
First Mortgage Gold Bonds:			
Series "A," due 1948, par value $367,000.00, at a cost of		$ 325,385.00	
Series "B," due 1949, par value $ 40,500.00, at a cost of		37,662.50	
			363,047.50
Capital Assets:			
Country and Terminal Elevators, Sites, Warehouses, Printing Plant, Machinery, Office and Other Equipment At cost subject to the inclusion of $492,367.52, representing the balance of the amount by which elevator properties were written up in 1926.		$10,867,520.42	
Less—Reserves for Depreciation		4,425,161.98	
		$6,442,358.44	
Publication Establishment Account The establishment costs of The Country Guide Limited determined on June 1, 1918. See Capital Surplus as per contra.		106,889.56	
Timber Limits		60,000.00	
			6,609,248.00
			$11,828,962.96

LIABILITIES

Current Liabilities:			
Bank Loans and Overdrafts—secured		$1,447,084.40	
Accounts Payable and Accrued Liabilities		947,042.50	
Mortgage Payments—Due August 31, 1935		57,192.90	
Bond and Mortgage Interest Accrued		29,319.00	
Shareholders' Dividends:			
Unclaimed dividends of prior years	$ 18,551.87		
Dividend declared payable September 1, 1935	127,160.88	145,712.75	
Dominion, Provincial and Other Taxes		67,528.73	
			$ 2,693,880.28
Funded and Mortgage Debt:			
First Mortgage Sinking Fund Twenty-Year Gold Bonds:			
Authorized	$7,500,000.00		
Issued:			
Series "A" 5 per cent, due January 2, 1948		$3,750,000.00	
Series "B" 5½ per cent, due May 1, 1949		750,000.00	
		$4,500,000.00	
Less—Bonds Redeemed and Cancelled through Sinking Fund:			
Series "A," 1948	$ 884,500.00		
Series "B," 1949	163,000.00	1,047,500.00	
		$3,452,500.00	
Mortgages		120,166.41	
			3,572,666.41
Capital, Reserve and Surplus:			
Capital Stock:			
Authorized—200,000 shares—par value $25.00			
Subscribed—135,098 shares	$3,377,450.00		
Less—3,333 shares forfeited, now held in treasury	83,325.00	$3,294,125.00	
Deduct—Amounts Unpaid		132,951.19	
		$3,161,173.81	
General Reserve		1,710,282.22	
Capital Surplus:			
Balance at Credit July 31, 1934, arising from Forfeiture of Capital Stock	$ 36,799.97		
Deduct—Adjustments relative to Re-allotments of Forfeited Shares during the year	175.82		
	$ 36,624.15		
Add—Amount held against Publication Establishment Costs—see contra	106,889.56	143,513.71	
Earned Surplus—In terms of separate statement		547,446.53	
			5,562,416.27
			$11,828,962.96

Approved on behalf of the Board:
R. S. LAW, Director.
E. E. BAYNE, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of United Grain Growers Limited and Subsidiary Companies for the fiscal year ending July 31, 1935, and have obtained all the information and explanations which we have required.

The quantities and values of the stocks of grain, twine, coal and sundry merchandise have been certified to by responsible officers of the Companies and adequate provision has been made for all accounts considered doubtful. The securities covering the investments in memberships, stocks and bonds, have been produced for our inspection or verified by certificates from the depositaries, and bank loans and overdrafts and cash in banks have been confirmed by certificates obtained by us direct from the Companies' bankers. We have taken reasonable care to satisfy ourselves that all liabilities at July 31, 1935, have been taken up on the books as at that date.

We report that, in our opinion, the above consolidated balance sheet as at July 31, 1935, is properly drawn up so as to exhibit a true and correct view of the state of the affairs of United Grain Growers Limited and Subsidiary Companies according to the best of our information and the explanations given to us and as shown by the books of the Companies.

Winnipeg, October 15, 1935. PRICE, WATERHOUSE & CO., Auditors.

Consolidated Statement of Profit and Loss and Earned Surplus, July 31, 1935

Profit for the year ending July 31, 1935 Before charging or providing for the undernoted.		$854,335.79
Deduct:		
Interest on Bonds and Mortgages	$190,867.58	
Directors' Fees	7,223.00	
Total Amount Paid as Counsel and Legal Fees and Salaries of Executive Officers Represented by Directors of the Parent Company actively engaged in the Management	21,650.00	
Provision for Depreciation of Capital Assets	464,605.95	
Provision for Dominion and Provincial Taxation	39,535.93	723,882.46
		$130,453.33
Profit arising from Redemption of Company's Bonds during year	$ 38,606.25	
Less—Proportion of Bond Discount and Expenses Written Off	19,548.00	19,058.25
Surplus: Balance at Credit July 31, 1934	$528,197.71	
Less—Adjustment of Previous Year's Income Taxation	3,101.88	525,095.83
		$674,607.41
Deduct—Dividend of 4 per cent. to Shareholders		127,160.88
Earned Surplus July 31, 1935		$547,446.53

Week in Mining —

Background Unchanged

• • •

Gold Bloc Today

The present mining market is affording a rather good example of what it can do when free from outside forces.

For some weeks now there has been no material change in the background of the mining scene, and the market has had to depend on developments at the properties for stimulation. Even the rumor mongers have apparently run out of material, and market action is now being based almost entirely on property reports.

The result has been encouraging. On the whole the trend has been upward, and market prices have found justification in earnings or tangible prospects. This, obviously, is a much healthier condition than when the market becomes inflated by gaseous hopes and rumors of a change in the general background.

Laval and Canadian Gold

IT MAY therefore, be a good thing that traders have apparently temporarily forgotten the gold bloc, and the alternate hopes and fears which were held for its dissolution. But some faint echoings of these old emotions were felt recently when the Toronto street heard, via New York, that France's departure from gold was imminent. The French parliament convenes this week and it is widely predicted that the session will provide many a good headline. Whether or not Premier Laval can survive this session, it is apparent that his gallant "fight for the franc" is in for one of its severest battles, as the flight of gold from France continues. Since September 9 over $400 millions in gold has left Paris for New York. Reserves in France, however, are reported to be still ample for the present valuation of the franc, although they are the lowest in four years.

It might pertinently be asked what all this has to do with Canadian mining. The answer is that it has a very definite bearing on Canadian mining. It seems fairly obvious that if France abandoned gold, Holland and Switzerland would be bound to follow suit. It also seems clear that the dissolution of the gold bloc would be an essential step toward international currency stablization. What such a stabilization agreement would do to the price of gold has been debated ad nauseam. The best informed opinion, however, seems to be that the price of gold would not suffer, and might even be materially benefitted. This is what interests Canadian mining.

So that, remote as the connection may seem, Canadian gold mining will watch the current session of the French parliament with a great deal of interest.

• • •

Taxation Step

IN COMMENTING on last week's report to the effect that an Ottawa official had offered small hope for a cut in present taxation schedules as they affect mining, The Post expressed the opinion that he was not in tune with the new régime in Ottawa.

This point of view appears to be substantiated by the fact that a few days ago, leaders of the mining industry as represented by a small group of Toronto and Montreal men, were asked to take part in a strictly informal discussion with government officials, the topic being none other than mining taxation. The Post learns on reliable authority that definite progress was made, and that while there may be no sweeping reductions in taxation schedules, many of the sore spots, including those centring around duplication between provincial and federal taxes, may be ironed out.

Those taking part in the discussion are, quite properly, not inclined to talk and details are meagre.

But the very fact that the new government is apparently recognizing the importance of the problem in such a way is encouraging.

• • •

Canadian Engineers

A RECENT article in The Mining World and Engineering Record, of London, is entitled "Wake Up Canada" and attempts to point out flaws in the professional side of Canadian mining. The writer, an English engineer resident in Canada, complains that there is "an aversion in Canada to the A.R.S.M. or the M.I.M.M. man when a mining appointment is 'going;' the job invariably goes to a McGill or a Queen's man. The result is that overseas experience is lost, and parochial experience reigns supreme . . . . The English engineer has a poor chance . . . ."

The inference that Canadian trained engineers have only "parochial" experience and are therefore inferior to English trained engineers looks paradoxical beside the fact that the entire 1935 graduating class in mining engineering at McGill University was approached by South African mining interests, offering five-year contracts. Incidentally, a considerable portion of the class accepted the offer.

• • •

Dividends Set Record

SINCE it is, of necessity, based on the statistical record of dividends paid during the current calendar year, the article elsewhere on this page cannot tell the whole story. The fact is that long after all the dividends paid in 1935 have been spent, the effect of this year will be felt in mining. Reference is made in the article to the several junior golds who will pay their first dividend early in 1936. There are several more which should be paying dividends later on in the year.

When it is realized that to date no less than 17 new mills have started production in 1935, it will be seen that there is real basis for the belief that Canada is in for a period of steadily rising mining dividends.

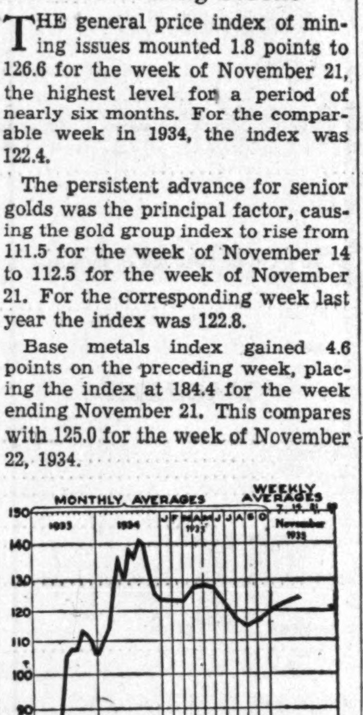
• • •

Index to Mining Stocks

THE general price index of mining issues mounted 1.8 points to 126.6 for the week of November 21, the highest level for a period of nearly six months. For the comparable week in 1934, the index was 122.4.

The persistent advance for senior golds was the principal factor, causing the gold group index to rise from 111.5 for the week of November 14 to 112.5 for the week of November 21. For the corresponding week last year the index was 122.8.

Base metals index gained 4.6 points on the preceding week, placing the index at 184.4 for the week ending November 21. This compares with 125.0 for the week of November 22, 1934.



Grab Samples from N. W. Ont.

From Our Own Correspondent

JELLICOE.—Results of plans announced some time ago in The Post respecting operations on Maloney Sturgeon Gold Mines, are now available.

The plan was to take out a limited tonnage of the high grade material from the surface shoot which was responsible for much of the activity that surrounded the Sturgeon River field a couple of summers ago. Cobbed material from this shoot, in the amount of 364 pounds, has produced a small gold brick weighing 21.4 ounces, and gives an idea of the extent of the richness of the shoot which was the original discovery on the Maloney Sturgeon ground.

Further work of this nature is planned, and possibly a small mill will be installed to treat the material on the ground, with a prospect shaft being sunk to acquire more information on the showing. The Maloney property is similar to numerous other high-grade discoveries that have been reported in various fields in northwestern Ontario. Inasmuch as widespread prospecting sometimes fails to improve the original show, it is indicated the better method now is to make the most of whatever can be proved on the discovery.

• • •

Leitch To Get Power

With hand steel having well started the shaft on Leitch Gold Mines, it is expected sinking under power will get under way next month some time to prove up a showing that has so far offered excellent results in an extended drilling campaign. The Leitch is in the western section of the Sturgeon River field. An objective of 350 ft. to open three levels has been set: foundations are being made ready for a plant, and a new headframe is being erected.

• • •

Algold Cuts Vein

The drive west on the 200 ft. level at Algold Mines, has cut the vein which showed on surface at the "west pit," and first rounds showed a width of around four ft. Assays were good in the first samples, and though the body has not been driven far as yet the conditions look excellent. On surface this vein gave a width of 12 ft, extending 150 ft. in length and grading close to $10 gold. and first samples underground after cutting through a dyke were even better.

SYNDICATE MOVES TO RESUME WORK AT MAN. FLIN FLON

Offer Trustee Plan to Purchase Property

An attempt to revive operations on the property formerly held by Manitoba Flin Flon Mines is being made by a syndicate, at present under formation, known as Ballantyne Flin Flon Syndicate. Prime mover in this attempt is James H. Ballantyne, former shareholder of Manitoba Flin Flon and chairman of the new management committee.

The Post learns from Mr. Ballantyne that an offer has been made to the trustee in bankruptcy. It is understood that the counter proposal has been made which is at present under consideration.

Shareholders of Manitoba Flin Flon have been circularized by the syndicate and asked to purchase ten syndicate units, $10 par for a total cost of $25. Shareholders are also offered 11 such units for each added subscription of $25. The liability of members of the syndicate is limited to the amount of their own subscription and syndicate funds are returnable pro rata to subscribers if the management committee fails to negotiate for the purchase of the claims or if the claims, after purchase and research, do not justify further development.

Work in 1930-31

The property has seen considerable surface work carried out in 1930 and 1931. At that time, it was fairly well illustrated that a considerable cash outlay would be necessary to prove the possibilities. With the improvement in copper and gold prices, sponsors of this revival feel that the property now assumes definitely more promising aspects.

DUQUESNE IS GIVEN APPROVAL OF SEC ON OFFERING IN U.S.

Plans to Develop Holdings Near Beattie in Quebec

Duquesne Mines, formed in April of this year to acquire properties from Galatea Gold Mines and Del Rio Mining Co., reports that its registration statement filed with the Securities & Exchange Commission, at Washington has become effective.

Duquesne is offering 500,000 treasury shares in United States at 65 cents per share to explore the company's holdings in Duparquet and Destor twps., east of Beattie Gold Mines, in Quebec. In addition to the claims of Galatea and Del Rio originally acquired, Duquesne holds an option on 10 additional claims adjacent, and also acquired from Galatea controlling share interest in Fleming-Thompson Gold Mines. The total of 91 claims thus held or controlled by Duquesne are contiguous, and have a length of six miles on the line of strike east of the Beattie.

To supplement surface work, and an extensive geological and topographical mapping programme, carried out by Dr. Robert Thomson, a diamond drilling campaign is planned for early in the new year.

The company has an authorized capitalization of 5 million shares, $1 par value. Of this amount, 2.4 million shares have been issued. Of the issued stock, 1.2 million shares are held by Galatea Gold Mines.

President of the company is A. B. Davidson, Toronto. Glenn Hunter and J. B. Sellers, both of Pittsburgh Pa., are vice presidents. Directors include Frank S. Hoyt, Newcastle, Pa.; R. E. Campbell, R. E. Wakefield and W. Ralph Salter, of Toronto. Secretary-treasurer is L. Richardson.

Lucky Jim Lead and Zinc Issues Gloomy Report

Unless sufficient money can be raised to pay off its immediate liabilities and to cover maintenance charges, all investment of Lucky Jim Lead & Zinc Co. will be lost, shareholders are told in the eleventh annual report, covering the fiscal year ended Dec. 31, 1934.

Accompanying the report is an audited balance sheet showing the state of the company's affairs as at Oct. 31, 1935. This statement shows current assets, consisting almost entirely of stores at the mine as valued at Dec. 31, 1934, of $4,580. Current liabilities, including certain mortgage bonds maturing Dec. 31, 1935, total $386,392.

James Anderson, sec.-treas. of the company, states that since suspension of operations at the end of 1930, maintenance expenses have been met by Victoria Syndicate Ltd. The company issued bonds for the greater part of these advances, and, at first, for interest accruing on bonds previously issued. The Victoria Syndicate is now in voluntary liquidation and is not in a position to advance further funds. Lucky Jim, therefore, has no funds, and is in default on its bonds, which are a first charge upon its assets. These now amount to $175,000, together with accrued interest of $29,414.

Directors hold out little hope of resumption of operations. The entire authorized capitalization of 3 million shares, par value ten cents, has been issued.

Find Turner Valley Pressure Rises in North, Drops in South

From Our Own Correspondent

CALGARY.—Closed in gas pressures at 16 north and central Turner Valley wells have actually increased during the past year, according to a provincial government report issued by C. W. Dingman, director of the Petroleum and Natural Gas Division.

The pressure increases range from eight pounds per square inch in the case of Royalite 19, to a gain of 78 pounds per square inch in the case of McLeod 5.

On the other hand, pressures have dropped sharply in many south valley wells, the report reveals, for instance, Highwood Sarcee, long considered the largest producer in the field, lost 245 pounds during the year. The most severe drop was recorded at the Longview well, which lost 360 pounds pressure.

The report reveals that Royalite No. 26, north Turner Valley well, is the greatest producer in Turner Valley. The volume of the wet gas flow at two thirds of the closed pressure is 24.2 million cubic ft. daily, and it has a closed pressure of 1,325 pounds. Highwood Sarcee, in the south end of the field has a flow at two thirds of the closed pressure of 13,390,000 cubic ft. daily, and has a closed pressure of 1,360 pounds, slightly higher than Royalite 26.

The quota for the field for the ensuing year has been set at approximately 176 million cubic ft. daily.

The report shows that Highwood Sarcee's closed-in pressure of 1,360 pounds is the greatest in the field. In second place is Carleton, with a closed-in pressure of 1,340 pounds, Royalite 26 is third with 1,325 pounds.

All Records Smashed As 1935 Mine Dividends Exceed $57 Millions

Equals 26.8 Per Cent of All Canadian Payments

BASE METALS UP

Gold Producers Not Alone Responsible For Striking Increase

Leaping ahead of all estimates, Canadian mines will pay shareholders a grand total of about $57.6 millions in dividends during 1935, a computation made by The Financial Post shows.

All previous records are broken by this figure, the true significance of which can only be grasped by comparison.

The Post calculates that all public industrial companies in Canada combined, will pay in 1935 a total of about $158 millions in dividends. All Canadian banks, trust companies, insurance companies, chain stores, brewing and distilling corporations, textile construction, and utility companies contribute to this figure, which, however, excludes bond interest.

Thus the Canadian mining industry will pay this year about 26.8 per cent of the total dividends paid by all Canadian concerns.

Not All Gold

It is true that much of the increase in mining dividends can be credited to the gold producers.

But this is by no means the whole story. The table below shows that a very material improvement has taken place in Canada base metal producers, companies which are entirely at the mercy of general economic conditions. As an example, the dividends paid by Consolidated Mining & Smelting Co. whose chief product is lead and zinc, have increased by about $163,000. Howe Sound, basically a copper producer, increased its dividends by over $200,000. Hudson Bay Mining & Smelting Co., a copper-zinc producer, crashed the dividend ranks during the year, paying a total of $2,653,926 in dividends. The Sudbury nickel companies, International Nickel and Falconbridge, paid higher dividends this year. International Nickel's payments increased by almost $3 millions.

So that increased earnings from gold mines was not the only contributing factor, although it was, of course, a large one.

New 1936 Dividend Payers

The table below is based entirely on dividends paid in the calendar year 1935. Thus it does not tell the whole story. Several companies, not shown in the accompanying table, announced initial dividends in 1935, payable early in 1936. Several other junior golds are expected to make dividend announcements early next year, all of which augurs well for a still higher figure in 1936.

Little Long Lac Gold Mines is paying ten cents per share on January 20, 1936, to shareholders of record Dec. 19. Cariboo Gold Quartz pays an initial dividend of 2½ cents per share on January 1, 1936, to shareholders of record Dec. 21, 1935. McWatters Gold Mines just falls into the 1935 payments, with an initial dividend of 5 cents per share, payable Dec. 18.

The fact that these junior companies have joined the ranks of the dividend payers so soon after production started, will, it is believed, have the effect of encouraging capital to enter mining.

Nickel Leads Parade

With a total payment for the year in excess of $12.8 million dollars, International Nickel Co. of Canada heads the list as the largest single contributor. Lake Shore Gold Mines, famous Kirkland Lake gold producer, contributing $8 millions, ranks second. Third honors go to Hollinger, Porcupine gold mine, with Noranda, big Quebec copper-gold producer coming a close fourth.

Disbursements of dividends from Ontario producers were larger than those of all other provinces combined. In this province, the Kirkland Lake belt paid the most dividends, with Porcupine second.

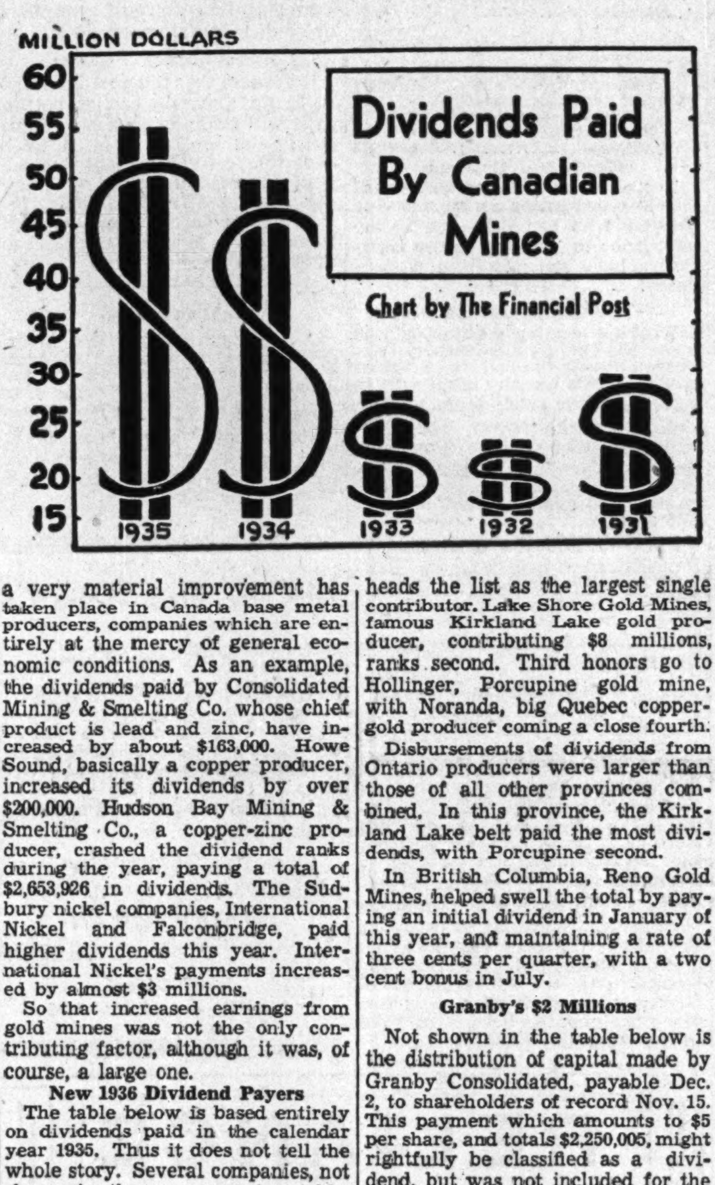
In British Columbia, Reno Gold Mines, helped swell the total by paying an initial dividend in January of this year, and maintaining a rate of three cents per quarter, with a two cent bonus in July.

Granby's $2 Millions

Not shown in the table below is the distribution of capital made by Granby Consolidated, payable Dec. 2, to shareholders of record Nov. 15. This payment which amounts to $5 per share, and totals $2,250,005, might rightfully be classified as a dividend, but was not included for the sake of comparison.

Also excluded from the table are Canadian companies operating outside Canada, such as Bulolo Gold Dredging Ltd., and Rosedale Mines.

Holding and investment companies are also, of course, excluded, inasmuch as the dividends paid by them are already contained in the figures below.



Dividends Paid in Calendar Years

Mine	Main Product	1935*	1934	To end of 1935*
British Columbia				
Bralorne	gold	300,000	625,000	925,000
Cons. M. & S.▴	lead-zinc	3,095,347	2,932,434	52,562,109
Highland Lass	silver-lead	30,966	46,207	117,058
Howe Sound‡■	copper	1,636,925	1,421,373	16,585,413
Pioneer	gold	1,401,400	1,313,813	4,341,941
Premier	gold	650,000	600,000	18,508,075
Reno	gold	255,683	......	255,683
Former Dividend Payers	......	......	......	41,207,809
		7,376,321	6,938,827	134,503,088
Manitoba				
San Antonio	gold	470,450	112,023	582,473
Hudson Bay M. & S.	copper-zinc	2,653,926	......	2,653,926
		3,124,376	112,023	3,236,399
Nova Scotia				
Montreal-London†	gold-silver	......	......	47,928
Ontario				
Cobalt area				
Coniagas	silver	95,790	95,790	11,731,589
Nipissing	silver	150,000	150,000	30,240,000
Former Dividend Payers	......	......	......	54,982,983
		245,790	245,790	96,954,572
Porcupine area				
Buffalo Ankerite	gold	115,461	89,372	247,404
Dome■	gold	4,000,000	3,336,669	26,272,848
Hollinger	gold	4,674,000	6,888,000	77,664,400
McIntyre-Porcupine	gold	1,596,000	1,596,000	15,751,517
Former Dividend Payers	......	......	......	1,000,423
		10,385,461	11,910,041	120,936,592
Kirkland Lake area				
Kirkland Lake	gold	157,174	157,174	314,348
Lake Shore	gold	8,000,000	7,000,000	43,020,000
Macassa	gold	394,210	131,403	525,613
Sylvanite	gold	659,900	824,875	2,012,695
Teck Hughes	gold	1,922,858	2,643,929	23,240,647
Toburn	gold	148,000	148,000	296,000
Wright Hargreaves	gold	3,300,000	3,025,000	14,647,638
Former Dividend Payers	......	......	......	398,625
		14,582,142	13,930,381	84,455,566
Sudbury area:				
Falconbridge	nickel-copper	984,961	902,173	2,699,744
International Nickel■	nickel-copper	12,862,967	9,222,984	171,809,399
		13,847,928	10,125,157	174,509,143
Northwestern Ontario				
Howey	gold	250,000	500,000	750,000
Quebec				
Noranda■	gold-copper	4,479,544	4,479,544	22,116,480
Siscoe	gold	997,500	875,961	3,018,579
McWatters	gold	94,275	......	94,275
		5,571,319	5,355,505	25,229,334
Grand total, Canada		55,383,337	49,217,724	640,622,622

†Dividend record incomplete. •Preferred and common; includes predecessor companies. ▴Five per cent stock dividend paid in lieu of cash bonus July 15, 1931, and Jan. 15, 1932; 10 per cent stock dividend paid March 1, 1933. ■Dividends payable in U. S. funds. ‡Includes profits from properties outside of Canada. *Estimate only.

Falconbridge Shaft Gets Canyon Power

From Our Own Correspondent

SUDBURY—Hydro power from the Abitibi Canyon plant is virtually ready for the servicing of the new shaft at the Falconbridge Nickel Mines, after considerable delay in construction of transmission line.

Successful tests have been made of the line and substation equipment, and it is expected that within a day or two all will be in readiness. Installation of hoist and other machinery for operation of the new mining facilities has been proceeding, and early December should see everything running smoothly.

Initial consumption of the canyon power is expected to be about 1,000 horsepower, which will be gradually enlarged as operations proceed.

Olga Gas & Oil—A contract for drilling in Tillsonburg on a newly acquired acreage has been signed, this company announces, and work will start immediately.

B. A. OIL TO BUILD ABSORPTION PLANT IN TURNER VALLEY

To Cost $300,000 — Will be Ready in Six Months

From Our Own Correspondent

CALGARY. — British American Oil Co. Ltd. will start construction of a $300,000 absorption plant in the south end of Turner Valley next week, to be completed within five or six months, L. E. Woolley, manager in charge of refining, from Toronto, announces. The plant will be constructed by the company's own engineers and will have a capacity of 60 to 75 million cubic ft. of gas daily. According to Mr. Woolley its products will be distributed principally throughout Alberta with some going to British Columbia and Saskatchewan, he stated.

Cariboo Gold's Dividend Justified, Says President

From Our Own Correspondent

VANCOUVER. — Dividend payments at the rate of 10 per cent per annum, or 2½ cents per share per quarter have been inaugurated by Cariboo Gold Quartz Mining Co. Monthly production at the Cow Mountain mine near Barkerville is now valued at approximately $60,000, providing a net surplus of about $20,000 monthly. Ore reserves are being well maintained.

The first dividend payment will be made January 1, 1936, to shareholders of record as at Dec. 21, 1935.

"The cash reserves are not as substantial as ordinarily they should be before placing the mine on a dividend basis," reads a notice issued by President W. B. Burnett, "but because of the large number of stockholders who originally provided the capital necessary to develop the property, we feel that under the circumstances we are quite justified in making a dividend disbursement at this time."

During the three-quarter period ending October 31 the Cariboo Quartz mill handled 31,150 tons of ore, from which 10,383 fine ounces of gold were produced.

Sakoose

Law Cracks Down on Group Running Racket—Barry Sentenced

From Our Own Correspondent

MONTREAL.—George Barry, one of the group of market "riggers" and financial conspirators who sold Sakoose Gold Mine stock to the public for a total of several hundred thousand dollars, has pleaded guilty to charge of conspiracy, and has been sentenced to one year in jail.

C. A. Fairchild, a writer for a Montreal mining journal, which touted the stock, is still awaiting trial on similar charges.

The conspiracy charges against the group were taken about a year ago, but all of the accused, except Fairchild, fled from the country. On his return here, a short time ago, Barry was taken into custody as soon as the police learned of his whereabouts.

According to the Crown prosecutor, the gang had obtained at least $200,000, which had been proved, and most probably a far larger amount from gullible market players who followed their coups on the mining exchanges and were caught by sudden shifts.

Darwin Makes Bow As Gold Producer

From Our Own Correspondent

SUDBURY. — The Darwin mine became Michipicoten's fourth producer when the first brick was poured at the property on Saturday last.

There was no official intimation of the amount of bullion contained in the first pouring, but it is roughly valued at $3,000. It is stated that subsequent bricks will be of greater weight and value. Initial production was marked by a formal ceremony performed in the presence of a party of financiers, including H. R. Bain, from Toronto, Montreal, Ottawa, Philadelphia and Buffalo.

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Company Earnings

United Bond & Share

A slight increase in earnings in the year ended Sept. 30 last is reported by United Bond and Share Ltd. Net profit for the year amounted to $13,410 as against $12,436 in the previous year.

Income from interest and dividends on investments totalled $20,101. The purchase and sales of securities during the year resulted in a profit of $8,924.

Cash in the banks is shown by the balance sheet at $12,063 as against current liabilities of $8,106.

Investments and accrued interest at Sept. 30 are carried in the balance sheet at $357,412. Investments at that date were divided as follows: bonds, five per cent; preferred stock, 6.8 per cent; common stocks, 87.8 per cent.

Income and Surplus Account
Years ended Sept. 30

	1935 $	1934 $
Int. & divds. from invests.	20,101	17,718
Disct. on N. Y. funds	......	210
Total income	20,101	17,506
Less: Manage. exp.	1,850	1,884
Res. for income tax	2,025	904
Taxes and insurance	430	1,065
Transfer chgs.	312	331
Bank charges	75	160
Interest on loans	1,549	280
General expenses	450	448
Net profit	13,410	12,436
Less appropriations: Dividends	13,177	15,821
Surplus for year	233	*3,385
Add: Prev. surplus: Distributable surplus	195,314	198,563
Rev. approp. acct.	......	280
Prof. & losses on purch. & sale of invest.	551	*10,070
Profit on sale of invests.	8,924	10,621
Cash val. life ins. surrendered	1,235	......
Less: New York exchange	1,294	......
Addtl. prior year's inc. tax	252	144
Bal. carr. forward	▴204,711	•195,865

▴Includes distributable surplus $195,314; earned surplus $1,216 and profit and loss on purchase and sale of securities $8,181.
•Of which $195,314 is distributable surplus and $551 is profit on purchase and sale of investments.
*Deficit. *Debit.

National Sewer Pipe Co.

A higher net loss compared with the previous fiscal period is reported by National Sewer Pipe Co. for the year ended Oct. 31, 1935. Loss on the year's operations after all charges was $49,076. This compares with a loss of $36,728 in the year ended Oct. 31, 1934.

In a statement to shareholders, Ryland H. New, president, attributes the loss on operations to continued inactivity in the fields where the company's products are used. Reduction in the sundry revenue is due to the reduced interest rates effective during the year.

While working capital is slightly lower the company continues to maintain a strong liquid position, current assets exceeding current liabilities by $912,000. Cash on hand and call loans total $616,358. Inventories at $277,314 are $46,000 lower than a year previous.

Income and Surplus Account
Years ended October 31

	1935 $	1934 $
Net oper. loss	68,134	63,641
Int. and other rev.	19,058	26,912
Net loss	49,076	36,728
Less: Class A dividends	......	16,657
Deficit for year	49,076	53,385
Add: Prev. surplus	*24,516	17,248
Bad debts recov.	460	1,740
Profit on sale of bds.	22,588	9,883
Less: Addit. inc. tax, prior years	......	2
Deficit carr. forward	50,544	24,516

*Deficit.

Working Capital

	1935 $	1934 $
Current assets	937,330	947,470
Current liabilities	24,615	18,342
Working capital	912,715	929,128
Ratio	38.08—1	51.66—1

Brantford Cordage

Slightly improved earnings are reported by Brantford Cordage for the year ended August 31 last. Net profit for the year amounted to $235,760 as compared with $222,043 in the preceding year.

Surplus account is shown at $1,133,699. Of this amount $265,741 is capital surplus and $867,957 earned surplus.

Income and Surplus Account
Years Ended August 31

	1935 $	1934 $
Net earn. from oper.	361,696	345,518
Less: Deprec.	83,936	83,933
Taxes	42,000	39,542
Net profit	235,760	222,043
Less appropriations: First pref. divds.	112,868	118,380
Surplus for year	122,892	103,663
Add: Prev. surplus	1,014,355	907,065
Discount on shs.	......	3,627
Less: Prem. on shs.	3,548	......
Balance forward	1,133,699	1,014,355

Working Capital
As at August 31

	1935 $	1934 $
Current assets	2,505,934	2,329,624
Current liabilities	82,814	67,288
Working capital	2,423,120	2,262,336

Nanaimo-Duncan

Operating revenue of Nanaimo-Duncan Utilities for the period June 11, 1934, to June 30, 1935, totalled $205,555. This is the first statement issued by the company. After taking care of bond interest and other senior charges, there was a balance of nearly $45,000 to cover dividends on the capital stock amounting to $23,184.

Profit and Loss Account
June 11, 1934 to June 30, 1935

	$
Operating revenue	205,555
Oper. exps, maintenance, taxes	98,349
Operating profit	107,206
Other income	1,934
Net profit	109,140
Less: Depreciation	22,000
Interest on 1st mtge. bonds	23,444
Int. on Duncan debentures	3,520
Other interest	416
Provision for income taxes	12,793
Prov. for contingencies	2,058
Net income	44,909
Less: Preference divd.	16,935
Common dividend	6,250
Surplus for period	21,724

Silver Trading

Trading in Montreal
Nov. 18 to Nov. 23

	High	Low	Close	Contracts
Nov.	65.95	65.80	65.75	7
Dec.	65.70	65.56	65.65	118
Mar.	65.90	65.62	65.50	10
May	66.10	65.64	65.60	66
Sept.	65.66	66.20	65.75	12

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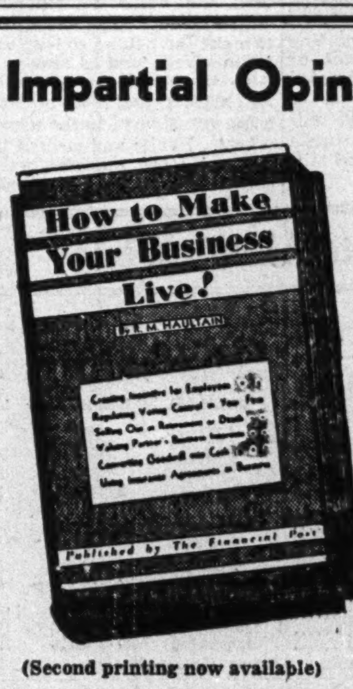
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LEAD SYNDICATE PLANS TO DEVELOP ONTARIO PROPERTY

Formerly Held By Dominion Mining & Smelting

Ontario may soon be able to add lead to its list of mineral products if plans of Consolidated Lead Mines Syndicate, recently formed, materialize.

The syndicate has acquired outright two properties, 375 acres in Bedford twp., Frontenac county, and 100 acres in Summerville twp., North Victoria county. One of these properties, The Post understands, was formerly operated by the Dominion Mining and Smelting Co. which spent a considerable amount of money on the property, which, however, did not prove a commercial success. Shareholders in this company will receive one share in a company yet to be formed for five old shares. Holders of vendor stock, and other stock distributed for services, will receive one share in the new company for every ten shares in Dominion Mining & Smelting held.

This distribution will take 125,000 from the proposed company which will have an authorized capitalization of 3 million shares.

$150,000 Spent

It is understood that $150,000 has been spent by former operators in developing this lead property. The stock of the syndicate has, The Post learns, been underwritten by Burrows, Broadley & Co., who are financing development. Officials of the syndicate believe that a profitable operation can be carried on with lead at £12 per ton. At the present time, lead quotations on the London Exchange are at about £17 per ton. Promoters of this company do not plan to smelt the product but will ship it in the form of concentrates.

Estimate 15,000 tons

On the Bedford property, two shafts are down 100 ft. each with 300 ft. of lateral work along the vein from the No. 1 shaft. Average width being 5 ft. R. J. Farquharson, mining engineer, who recently examined this property, estimated that known ore reserves definitely blocked out amounted to 15,000 tons of 20 per cent lead ore. The vein is over 700 ft. long on surface, officials claim.

The Summerville property, recently examined by Louis Whitman, has a shaft down 100 ft. Mr. Whitman states that the veins show increasing width in an open cut with depth. Mr. Whitman estimates that the property could be brought to production with a further expenditure of about $7,000.

No values other than lead have been found on the property.

The syndicate has an authorized capitalization of 10,000 units. Of this amount, 3,500 vendors' units have been pooled and 6.500 units are offered for sale.

Two Properties Supplying West Shiningtree Activity

From Our Own Correspondent

SUDBURY. — Operations in the West Shiningtree area which have been spasmodic during the last few years, due to insufficiency of capital, are at present confined to two properties, under development by small working forces.

With the shaft at a depth of 100 ft., Shiningtree Gold Mines recently commenced lateral work, in a campaign of exploration of the veins opened up on surface. The vein remained in the shaft practically all the way down, and free gold was in evidence. The property comprises the former Gilbert Bennett claims.

Present work at the property of the Churchill Mining and Milling Co. consists of exploration of the 100-ft. level, where about 150 ft. of drifting and crosscutting have been accomplished during recent weeks. The small Straub mill is not being operated, the present objective being the extension of ore resources.

New Company is Formed For West Shore Gold

Shareholders of West Shore Gold Mines, at a special general meeting held recently, approved a by-law authorizing the sale of the company's assets to a new company, to be formed by G. N. Coyle, of Montreal, a director of Siscoe Gold Mines. The new company will be capitalized at three million shares of which West Shore Gold Mines will receive one million shares for property and other assets.

R. T. Mullin, secretary of West Shore states that under the agreement, sufficient funds will be available to continue development work on the company's two groups of claims on Lake Montigny and in Malartic Twp., Quebec.

Alton C. Bray, engineer of the company in a recent report, stated that surface exploration on these properties demonstrates that further expenditure is warranted. Mr. Brady recommends that work be concentrated on the Malartic property for the present.

Wendigo Gold Estimates Profit of $7 Per Ton

On the basis of results obtained from the Ottawa Testing Laboratories, officials of Wendigo Gold Mines estimate that a gross profit on milling of $7 per ton can be made. The tests made in Ottawa show that the ore sent averages $14.24 in gold per ton, and that 75 per cent of the gold is free and comes out on amalgam plates with the balance recoverable by a cyanide process.

The company is preparing for milling about Dec. 15 and is now erecting a new head frame at the shaft.

Name New Directors of Central Manitoba

Two new directors of Central Manitoba Mines were elected at the annual meeting held in Winnipeg. The new directors are J. F. Moulden and F. J. Manning, replacing Howard C. Davis and A. H. Pulford, both of whom resigned.

At a subsequent directors' meeting William Hurst was re-elected president, chairman of the board and managing director. Col. L. D. M. Baxter was named vice-president.

FALCON GOLD PLANS SMALL MILLING UNIT

Working Old Gold - Silver and Molybdenum

From Own Own Correspondent

WINNIPEG.—Falcon Gold Mines is planning a milling plant as both a testing plant and an aid in financing.

The Falcon Lake district, close to the Trans-Canada Highway and about 25 miles west of Kenora was one of the earliest districts prospected in Manitoba. Many years ago a mill was in operation on what was then known as the Penniac Reef, now owned by Star Lake Mines. The section is highly mineralized with a wide variety of metals but has hitherto defied profitable operation.

Falcon Lake Gold Mines have been carrying on extensive development work for more than a year, including some shallow diamond drilling. Some of this drilling was done on an extensive dyke formation, in places very wide and on which deep test pits put down 40 years ago are still in evidence. Drilling disclosed plenty of width and mineralization, but values too low to be commercial. On the Hall claims, however, surface work, trenching, stripping and test pitting disclosed a vein running up to 9 ft. in width and traced for more than 800 ft. carrying substantial values in molybdenite and some gold.

Bulk samples were taken and shipped to laboratories at Denver with the result that a flow sheet has been worked out for the extraction of molybdenum, gold and silver through a flotation and cyanide process. Values in gold are much higher than had been anticipated.

Present development has been financed by a small Winnipeg group.

Diana Gold Recovery At $16,000 in October

From Our Own Correspondent

WINNIPEG.—Diana Gold Mines recovery for October was 463.3 ounces troy of gold, according to word which has just been received in Winnipeg.

For the past three weeks there has been no communication with the mine as while ice conditions at Central Manitoba were such that planes have been able to land there for the past week or more, the ice on Anderson Lake, nearest point for Diana was unsafe.

The output for the month, coming from a small stamp mill is considered quite satisfactory and an indication that ore conditions are improving. Roughly it means about $16,000 in bullion which leaves, on ordinary operation about $8,000 profit before depreciation and depletion.

Foundations are practically completed for the erection of a much larger mill which is already on the property. Ore in sight is also said to have increased considerably and last information was that the underground conditions were showing steady improvement both in quantity and grade of ore.

Seek Minerals in N. B.

Fredericton, N.B.—Geologists, who combed the unprospected lands of New Brunswick as part of the Dominion-wide effort to locate new mineral wealth, have finished their field work. Technical information will be turned over to the geological survey.

Sorting the Mines, 10.

An Impartial Analysis of Listed Stocks from A to Z

This is the tenth in a series of articles attempting to examine, at close range, the various stocks, listed day by day, on the mining sections of various Canadian exchanges.

These little close-ups do not pretend to be exhaustive analyses of the companies dealt with. They are aimed, however, at giving Post readers a rapid fire inventory of the market today. Each stock will be dealt with in alphabetical order at the rate of three or four a week as space permits.

Buffalo Canadian Gold

The chief equity back of this stock is in the 105,600 shares of Delnite Mines, the Sylvanite subsidiary formed to develop the former La Roche Mines.

Buffalo Canadian originally held 264,000 shares of La Roche, in the Porcupine district of Ontario. When Erie Canadian Mines, exploration subsidiary of Sylvanite, took an interest in this property, and finally took it over in October, 1934, Buffalo Canadian received the 105,600 shares in Delnite mentioned above. In the balance sheet as at Dec. 31, 1934, this stock was valued at $28,500.

Backed by Sylvanite's experiences and finances, development work at Delnite has been encouraging. Conditions on the first level were favorable and drilling has given indication that values persist at depth.

As to its other holdings, Buffalo Canadian has not been so fortunate. The company owns claims in Swayze twp. and in Rouyn twp. After getting good surface indications, drilling on the Swayze property proved disappointing, and work was suspended in August, 1934. Work on the Rouyn property was dropped in 1932. At the present time there is no activity on these two properties.

Buffalo Canadian has an authorized capitalization of three million shares, no par value. As at Dec. 31, 1934, 2,039,382 shares were outstanding. On the same date, the company had cash of $5,631, in addition to the Delnite holdings. Current liabilities were shown at $1,314.

Price Range of Stock

	High	Low	Last
1934			
Common	.14	.01⅝	.01¾
1935			
Common	.03½	.00⅝	.01

Bulolo Gold Dredging

This highly profitable placer operation is the result of one of the most daring projects in the history of mining.

The rich gravel beds in New Guinea had long been a teaser to mining men, inasmuch as they were guarded by miles of dense mountainous jungle and tropical climatic conditions. It was thought that this combination made it impossible to work these fields at a profit.

But early in 1930, Bulolo Gold Dredging Ltd., with a large smattering of Canadian capital, was formed to accomplish the impossible. Directors of the new company felt that modern mining methods could accomplish the task, and they were right.

Since approach to these fields, which lay 35 miles inland from the port of Salamoa, was impracticable, the management did an unheard of thing, and resorted to the air. Thus, a Canadian company was the first in history to transport heavy machinery by air to the site of operations. Every pound of the heavy machinery utilized in these large scale operations came in by the air route. Since flying started, until May of this year, a total of 13,217 short tons have been flown into the property from the coast.

Bulolo finished a gala fiscal year on May 31, 1935. The company, in 12 months, produced gold to the value of nearly $4.5 millions, nearly twice the value of the previous year's output. Earnings per share during the year amounted to $3.37 as against $2.73 the previous year. In addition, the company nearly doubled its working capital to $2,332,472.

Since production started, in March, 1932, Bulolo has steadily added to its acreage. Today, four dredges are handling on an average, 7,180 cubic yards of gravel per day each. Plans are now under way for the construction of a fifth dredge, to handle the deeper gravels in the Bulolo River area.

Operating costs, considering the enormous obstacles overcome, are surprisingly low. In the past fiscal year, total working costs, including overhead and gold royalty, but excluding amortization, were only 10.87 cents per cubic yard. The gravel contains gold to the value of about 50 cents per cubic yard. Including the deeper gravels in the Bulolo River, it has been estimated by competent authorities that the company's deposits represent a total dredgeable profit of about $50 millions.

Including the dividend payable Dec. 10, 1935, which, incidentally, is the largest dividend paid by this company, a total of $4.70 per share has been paid. The stock, which is listed on the Montreal Curb, has risen steadily in value, the low for 1933 being about $15.40 and the low for 1935, to date, being about $30.

Power is supplied by the company's own plants on the Bulolo River, which now have a combined capacity of over 7,000 h.p.

Bulolo Gold has an authorized capitalization of 1.2 million shares, par value $5, of which 940,000 shares were outstanding as at May 31, 1935.

Price Range of Stock

	High	Low	Last
1934			
Common	37.50	23.50	33.75
1935			
Common	38.15	30.00	32.25

Bunker Hill Extension

Since its property in Yukon failed to distinguish itself, Bunker Hill Extension Mines has been operating as a holding and investment company.

Until fairly recently, its principal assets had consisted of substantial holdings in McVittie-Graham Mines. This stock has been gradually liquidated, until today McVittie-Graham shares form a negligible part of the portfolio.

Bunker Hill has, at time of writing, liquid assets of about $53,000, according to an official of the company. Nearly all of this represents investment in dividend paying stocks, taken at current market prices.

The company has under option a group of claims west and north of Macassa Mines in the Kirkland Lake district. These options are of recent date, and the property is in an undeveloped state.

In addition, the company has a partial interest in a development campaign shortly to be launched, on a group in the new Mud Lake section of Quebec, where McIntyre Porcupine is getting promising results.

The company still holds property in the Sturgeon Lake, Manitou Lake and Sturgeon River areas. These are all practically raw prospects.

An important asset of this company is its holdings in Coeur d'Alene Mining Corp. Original holdings of 340,000 have been reduced to 89,500 shares, through options given to Newmont Mining Corp., financing the work. It is understood that sale of these holdings is largely responsible for the improved cash position of the company. In addition to the 89,500 shares in Coeur d'Alene, held outright, Bunker Hill holds 85,000 shares which are under option at 25 cents per share. Diamond drilling and underground work are being pushed on the Coeur d'Alene group.

At one time Bunker Hill held the old Tough Oakes Burnside property at Kirkland Lake, but sold it to the Premier Gold Mining Co. which formed the present Toburn Mines. Bunker Hill was given 360,000 shares in Toburn, distributed in November, 1933, to Bunker Hill shareholders on the basis of one Toburn for each ten Bunker Hill shares held.

Price Range of Stock

	High	Low	Last
1934			
Common	.11	.03	.04
1935			
Common	.08½	.03	.07

Mining Enquiries

Sherritt vs. God's Lake

Do you consider God's Lake a good buy at about $1.20, or do you think Sherritt-Gordon better?

In choosing between Sherritt-Gordon and God's Lake Gold Mines you have to decide between an established producer, with satisfactory ore reserves and management, and a speculation. The possibilities of Sherritt-Gordon, although considerably better today than they were a year ago, owing to copper prices, are still uncertain. Although prices have been improving for the past six months, and world stocks have been declining, there are tremendous obstacles in the way of pre-depression prices. Officials of Sherritt-Gordon have stated that operations will be resumed as soon as copper prices are stabilized at around 10 cents per pound. This object is sufficiently close to make Sherritt-Gordon at the present time a fair speculation. But it is still a speculation.

On the other hand, God's Lake Gold Mines has proved itself a commercial success and although the stock has weakened, being the victim of a certain amount of hammering, there appears to be no foundation for this decline minewise. Present prices of this stock appear to be fully justified by earnings.

Shawkey Gold Mining Co.

Have you any information about Shawkey Gold Mining Co.? I am a woman and put much faith in your advice. Would an investment of 4,000 shares in this company be too risky?

You have probably read by this time the article on Shawkey appearing in The Post of Nov. 16. Since this article was written, we are informed that an encouraging intersection has been made on the third level showing heavy mineralization. Apart from this development, the article mentioned above covers the present situation at the property.

You ask if an investment of 4,000 shares in Shawkey would be "too risky." This is a question which unfortunately we cannot answer. Shawkey like most other mines is a speculation and the extent to which one is justified in speculating depends, as you can understand, entirely on the individual case.

Seal Harbor Mining

I would like to enquire as to the present standing of Seal Harbour Mining Co. of Guysboro, Nova Scotia, Canada. By giving me the above information you will greatly oblige.

Seal Harbour Mining Co., appears to be making a sincere effort to make a gold mine out of its property in the Stormont district of Nova Scotia. Development at the property has been businesslike and while we have seen no official estimate of ore reserves, an official of the company recently informed us that between the 100-ft., and 300-ft. levels, about 87,000 tons of ore with an average grade of about $7.50 per ton may be expected.

The development work is being financed by Irving Brennan & Co. who had the property examined by their own engineer before underwriting the stock. Although the history of gold mining in this province would incline one to treat this as an out and out speculation, the management appears sincere, and development work has been fairly encouraging.

Power Gold Mines

A client of ours is enquiring about Power Gold Mines. We shall be very grateful to you if you will give us information on the standing of the syndicate, sponsoring the mine and the prospects of this particular venture.

Arntfield Mining Syndicate holds 100,000 shares in Power Gold Mining Co. Power Gold Mining Co. owns a placer operation near Antioquia, Colombia, South America. A few weeks ago this property came into production and in October of this year officials estimated that sluicing operations could be stepped up to show a monthly profit of about $20,000. However, this is an estimate only and we have seen no production figures. You can readily understand that the distance of this operation from the Canadian scene, makes it extremely difficult from this distance to judge of its merit. We can only say that the Arntfield outfit is well regarded in mining circles and controls Arntfield Gold Mines in Quebec.

As at December 31, 1934, Power Gold Mining Co. had 1,536,641 shares outstanding of a total authorized capitalization of two million shares, $1 par value. It is interesting to note that Dr. Boydell, former consulting engineer for Power Gold Mining Co., estimated that $50,000 would be required to prepare the placer gold deposits for production. He reported that this deposit contained from 50 to 75 million cubic yards of gold bearing gravel which could be washed to yield a profit which "will not be less than 20 cents per cubic yard and will probably be much greater."

Silverado Gowganda

A client advises me that he can obtain no bid for 1,000 shares Silverado Gowganda stock which he purchased some time ago at 40 cents. Can you furnish me with any information on the situation?

There is no market for Silverado Gowganda stock, for the simple reason that development at the property has been almost a complete failure. While we understand that there are one or two men at present at the property, there appears to be no likelihood of continued development work. Unfortunately the treasury position of this company is, we are reliably informed, in doubtful shape. The company has no current assets and fixed assets are confined to the mining plant. It is possible Silverado Gowganda might eventually sell this mining plant to some other company for a stock interest, which would be the only equity in Silverado shares.

PAYMASTER MILL TREATS 317 TONS POWER COSTS CUT

Report New Ore Indicated at Lower Levels of Mine

A milling rate of 317 tons per day has been reached by Paymaster Consolidated Mines, Porcupine producer, it is revealed in a comprehensive progress report recently issued. The report covers progress at the property since the last report was made in June of this year.

The data given reflects steadily improving conditions at this property, where tonnage has been continuously increased since milling was resumed in September, 1934. Between June 1, and Nov. 10, the company shipped bullion valued at $276,793.

E. H. Walker, vice-president, and managing director, who signs the report, states that from the No. 5 shaft, new ore and extensions of known ore have been opened up on six levels.

Diamond drilling has indicated additional ore on two levels, and below the 1,325-ft. level. At the present time, the company is drilling to prove the downward extension of the No. 3 vein system at still lower horizons. No. 2 winze is being deepened from the 1,325-ft. level as a three-compartment winze to open up new levels.

Approximately 40 per cent of the ore being milled is being drawn from the No. 6 shaft, where drilling to prove the downward extension of ore below the 425-ft. level is in progress. If results are satisfactory, the company plans to open up new levels by a winze from this level.

The report mentions the fact that the change over from Northern Canada Power to Ontario Hydro-Electric Power is being made. It is claimed that a saving of $17.50 per h.p. per year, and an increase in voltage from 12,500 to 26,400 is accomplished by the change.

E. G. Bishop has been appointed geologist to succeed the late G. S. Scott.

SUDBURY CONTACT REPORTS HOLDINGS

Future Depends on Lapa Cadillac and Norgold

The immediate future of Sudbury Contact Mines depends chiefly upon the success of financing Lapa Cadillac and Norgold Mines shareholders are told in a progress report issued over the signature of H. S. Denny, president. As at Nov. 1, 1935, liquid assets of the company based on market quotations of October 31, 1935, are valued at $60,400.

Since the last progress report of March 20, 1935, the only work done by the company was on its claims in Bousquet Twp. This consisted of 200 ft. of diamond drilling to cover assessment work for two years. While promising geological conditions and mineralization have been exposed on the property, nothing of importance in the way of commercial values has been encountered so far. Mr. Denny states that the property will be held in good standing and possibly further work done at a later date.

Lapa and Norgold

Apart from its liquid assets and claim holdings the company's interest in Lapa Cadillac Gold Mines consists of 1,030,000 shares out of a total issued capital of 1,451,765 shares. Investment in Norgold Mines consists of 224,844 shares of an issued capital of 1,231,449 shares.

Lapa Cadillac is at the present time seeking funds to continue shaft sinking and has about $10,000 cash in hand and no liabilities. Norgold Mines, with 30 claims in Bousquet Twp. in northwestern Quebec has over $20,000 in its treasury and is planning to start shaft sinking when it has a minimum of $75,000 cash in its treasury.

Mr. Denny points out that the company's policy has never been to undertake expenditure necessary to bring any particular property into production. Its business is to procure those properties upon which its engineers report favorably and after spending sufficient money to ascertain whether the properties are particularly interesting, to offer them for resale to development companies.

On an authorized capitalization of 2 million shares, $1 par value, Sudbury Contact has now 500,000 shares unissued.

Vancouver Clearings

Bank clearings at Vancouver for October 1935 showed an increase of $3 millions over last year. To Oct. 3, 1935, the increase was .87 per cent.

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Ontario Gold Production Sets New Mark in October

Total Value of $6.7 Millions Placed on Bullion from Province's Mines — All Areas Show Increase

Value of gold from Ontario mines hit a new high in October, figures released by the Ontario Department of Mines indicate. October's production was valued at $6,702,129, as compared with a value of $6,187,556 in September, and $5,877,396 in October, 1934.

Chief credit for this showing must go to the new producers in northwestern Ontario, whose list of gold mines appears to grow with every monthly report. Producers, in order of output, in this area during the month were Howey, Pickle Crow, Little Long Lac, Central Patricia, McKenzie Red Lake, Northern Empire, Parkhill, St. Anthony, Minto, McMillan, S. B. Smith, Dikdik, North Shores and Tashota.

Porcupine, Kirkland Lake, Matachewan, and northwestern Ontario all showed gains during the month.

Comparative figures for the first ten months of 1935 are as follows:

	—1934—		—1935—	
	Tons Milled	Value* $	Tons Milled	Value* $
Porcupine Belt				
First quarter	876,905	7,932,734	922,555	7,530,535
Second quarter	897,563	8,194,800	939,400	8,312,013
July	314,145	2,720,509	325,891	2,854,024
August	329,218	2,871,027	334,481	2,945,739
September	321,019	2,721,819	319,978	2,680,134
October	334,643	2,855,756	337,252	2,971,659
Total	3,073,493	27,296,645	3,179,557	27,294,104
Kirkland Lake:				
First quarter	479,679	8,344,239	478,229	7,843,745
Second quarter	494,673	8,857,071	494,556	8,271,005
July	166,573	2,814,688	172,025	2,847,528
August	169,328	2,873,575	174,634	2,886,670
September	166,485	2,534,995	165,969	2,706,896
October	169,603	2,713,426	174,639	2,876,141
Total	1,646,341	28,137,994	1,660,052	26,889,065
Matachewan:				
First quarter	10,610	109,629	66,593	295,824
Second quarter	10,833	112,872	76,854	351,576
July	3,785	39,094	27,232	115,524
August	3,772	44,440	29,960	138,335
September	3,631	40,827	30,599	147,577
October	17,277	53,954	34,461	163,185
Total	49,908	400,816	265,699	1,212,021
Northwestern Ontario:				
First quarter	133,192	651,399	182,054	1,046,649
Second quarter	142,360	664,585	216,718	1,606,841
July	50,038	251,139	57,611	585,981
August	58,624	269,908	84,196	656,498
September	55,342	249,003	79,915	652,949
October	51,431	254,260	84,875	691,144
Total	490,987	2,340,294	705,369	5,240,062
Total for Ontario:				
First quarter	1,500,386	17,038,001	1,649,431	16,716,753
Second quarter	1,545,429	17,829,328	1,727,528	18,541,435
July	534,541	5,825,430	582,759	6,403,057
August	560,942	6,058,950	623,271	6,627,242
September	546,477	5,546,644	596,461	6,187,556
October	572,954	5,877,396	631,227	6,702,129
Grand total	5,260,729	58,175,749	5,810,677	61,178,173

*Values in Canadian funds.

Geraldton Long Lac Gold Has Diamond Drill Plans

In a prospectus recently issued, Geraldton Long Lac Gold Mines report that when the present programme of surface development is completed, diamond drilling will be carried out to test conditions at depth.

The prospectus quotes from a report, dated Aug. 17, made by W. W. Beaton, engineer, who states that the geology of the group is favorable for gold deposition. Mr. Beaton recommends that the property be thoroughly trenched in order to locate possible gold-bearing veins parallel to the one vein so far explored.

Geraldton Long Lac was incorporated with an Ontario charter on Aug. 14, 1935, to develop claims formerly held by Universal Exploration Syndicate.

A. E. Lee, of Lockport, N.Y., is president, with W. C. Laughlin, of Niagara Falls, N.Y., vice-president. Other directors include Ivar G. Tang, of Schenectady, N.Y., George W. Porter and George W. Chapman, of Toronto. The company has an authorized capitalization of 2.5 million shares, $1 par value, of which 700,000 have been issued for the property and pooled.

Mid-West Gold Output Up

Manitoba and Saskatchewan sources accounted for an output of 13,583 ozs. of gold during September, an increase of 4.8 per cent over the August production.

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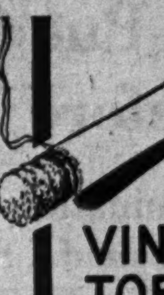

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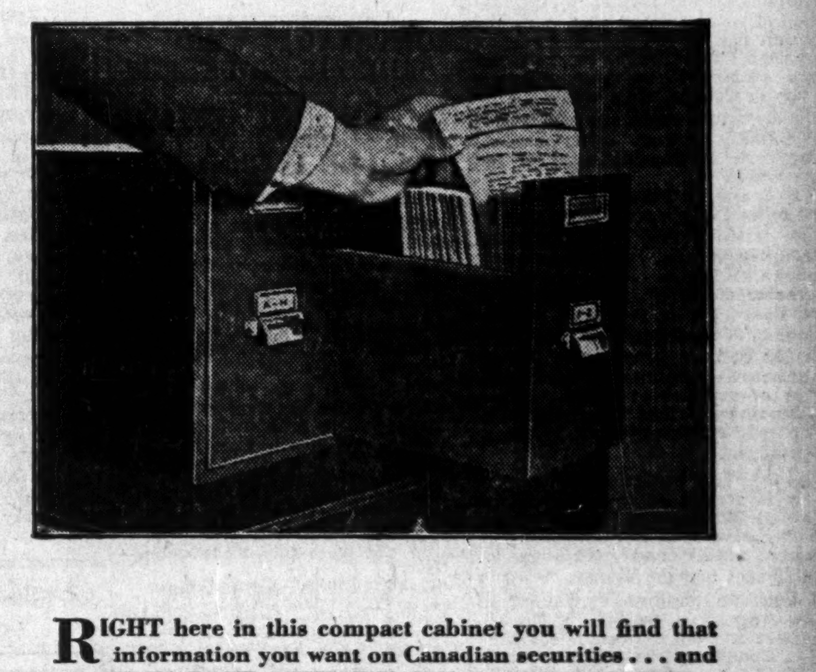

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Firms Put Case Before Tariff Board

Duty Elimination Would Stop Refining in Canada, Says Imperial Oil

"The earnings of Imperial Oil, Ltd., during the last five years indicate that the company would not be in a position long to continue its Canadian refining operations, were it exposed to outside competition to a greater extent than now," says G. Harrison Smith, president Imperial Oil, Ltd., in the course of a brief just submitted to the Tariff Board at Ottawa.

Briefs have also been presented by British American Oil Co., McColl Frontenac Oil and other oil companies in the important hearing which has developed out of an application by the executive of the Co-operative Trading Association of Saskatchewan for revision of the rates of custom duties on crude petroleum and its derivatives.

Duty Only Defense

Both sides are represented strongly at the Ottawa hearing. The case of the Co-operative was placed before the Tariff Board in Western Canada months ago but the important and probably the final hearing is now occurring. In this article the Imperial Oil brief is given because it will be the chief reliance of the oil men and the chief point of attack of the Co-operative. On both sides it is recognized that Imperial Oil takes the initiative when prices of gasoline rise or fall. The reason given for this unanimity is the classic one advanced by the late Victor Ross,—"If we raise the price the other companies cannot sell under us and make money. If we lower the price, they cannot sell for more than we do and keep the business."

"The duty on gasoline of 2½ cents a gallon was the only obstacle to a complete demoralization of the major gasoline markets in Canada," says Mr. Smith, "and to an invasion by the chaotic conditions which have prevailed in the United States during the past four years, despite all efforts of the Federal and State authorities and of the law abiding sections of the industry."

Duty Aids Exploration

The brief of Mr. Smith further contends that the Canadian industry alone in Canada has a driving incentive to explore for sources of crude oil in Canada and to set up reserves in other countries for Canadian needs. It does, he urges, an immense service to Canada by doing these things but the sustained flow of crude oil into Canada and continuous effort to develop Canadian sources of crude supply can be assured "only by a financially sound and completely integrated petroleum industry with sufficient and fully equipped refining facilities in Canada."

Such an integrated industry, Mr. Smith contends, cannot exist in Canada if the Canadian market "is to be made a dumping ground for surpluses of refined products." These surpluses fluctuate with the seasonal or emergency demands of the exporting countries and their suppliers have neither the intention nor the ability to serve the Canadian market at large.

As things stand the larger Canadian companies consider it their duty to supply gasoline and other oil products in the thinly populated parts of the Dominion. Canada is a pioneer country and outside companies looking to dump their surplus will seek only the larger markets. But if these city markets are taken away from the Canadian companies, losses there will make them unable to supply as cheaply as now the agricultural districts and those remote from settlement.

Refining Costs More

Another point made is that the Canadian refining industry conducts continuous research to develop products suited to Canada's special needs. If Canada is to depend on foreign sources for petroleum products, it can expect that in periods of scarcity quality will be seriously depreciated, prices unreasonably high, and services in sparsely settled territories far from adequate. Mr. Smith contends that a reduction in the duty on petroleum products would promote further multiplication of retail outlets. That multiplication had in the past disastrously affected United States markets and was carried to extravagant levels even in Canada. This would divide the available gallonage and result eventually in even higher marketing costs to the detriment of the consumer.

It is admitted that petroleum refining in Canada costs more than in the United States. There is necessarily a smaller volume of output and higher costs of plants. Greater disparity in seasonal temperatures makes for large fluctuations in consumption. Costs are larger because geographical conditions necessitate also the accumulation of supplies at certain points. Climatic conditions also entail higher fuel consumption in refining operations.

1930 Pledge Kept

It is argued as well that if the United States, the world's most highly developed and powerful producer, refiner and distributor of petroleum and derivatives, requires a duty on gasoline equivalent to three cents an Imperial gallon to protect it from European competition, Canada at least needs as much.

Mr. Smith states finally that the pledge of 1930 has been kept. The Canadian consumer, he says, has since 1930 enjoyed gasoline prices lower in relation to raw material costs than when the pledge was given. It is submitted that the duty on gasoline and other petroleum products must be maintained if the company is to earn a fair profit. It wants protection specifically "from supply sources in European countries where wages and living standards are low and from conditions brought about by lawlessness and by demoralization of the industry in the United States."

The company believes that provincial gasoline taxes are largely responsible for prevalent misunderstanding of gasoline prices. In 1934, it states, gasoline taxes per gallon were from 10 to 13 times as great as the company's net earning per gallon. It is pointed out that the company has no funded indebtedness and, therefore, no interest charges are included in its costs or affect net earnings. Goodwill value is not included in the assets and there is no inflation of the capital stock of the company, it is claimed. Plants are listed at depreciated values.

Earnings Dwindle

How net earnings during the depression have fared with reference to capital invested and sales of all products are shown in the two tables below:

Net Earnings on Capital

Year	Capital Invested	Net Earnings	Per Cent Earnings
1930	$111,802,260	$7,215,291	6.45
1931	104,127,791	*8,914,813	*8.56
1932	109,699,030	4,331,157	3.95
1933	107,829,716	3,926,892	3.64
1934	103,456,712	3,023,400	2.92

Gallonage Profits

Year	Total Sales All Products (Imp. gals.)	Net Earnings $	Profit per Imperial Gallons $
1930	937,413,981	7,215,291	0.77c
1931	852,527,543	*8,914,813	1.05
1932	749,500,871	4,331,157	0.58
1933	751,160,454	3,926,892	0.52
1934	755,565,290	3,023,400	0.40

*The 1931 earnings of $8,914,813 exceeded the 1930 earnings of $7,215,291 not because of larger trading profits but because inventory losses due to declining prices for crude oil were $2,518,552 less in 1931 than in 1930.

More Taxes Than Profits

The company earned a lot of money from its foreign operations. It was therefore able in 1934 to pay $3.2 millions in Canadian income taxes whereas its total profit from Canadian refining and marketing operations was less than this amount by $204,470.

All the trouble in the oil industry dates back to the discovery in 1927 of the Seminole pool in the Mid-continent area of the United States. Excess refining capacity in the United States began to run the surplus crude. Soon the market was flooded with gasoline. Export outlets were eagerly sought by many small refiners.

Though the Canadian market was regarded on the whole as unattractive, it is an "ideal dumping ground because its areas of large consumption are all accessible at low cost." All that is needed to invade points like Winnipeg or Toronto is to lease railway tankage and build small storage. Consequently, tankage multiplied from 1927 on and retail outlets multiplied even more rapidly. In 1930, Oklahoma City pool was brought in and then in 1931 came East Texas, the largest oil field ever discovered in the United States. "The higher the crude oil spouted in the Mid-continent, the more outlets sprang up in Canada."

Plans Great Oil Search

At the end of 1927, the company had 295 service stations. Of these 125 were located west of the Great Lakes and 170 in Eastern Canada. By the end of 1930 the company owned 610 service stations, of which 227 were in the West and 383 in the East. It was obliged to do this in order to hold its business. Many were taken over to realize on indebtedness. It then decided to discontinue its service station building programmes because there were sufficient outlets. But extra margins, secret rebates and other practices along lines similar to those in the United States were developed on a larger and larger scale and more and more outlets were created.

Prior to 1914, Imperial Oil was not actively interested in crude oil production. The importance of having its own resources of crude oil then became apparent. That resulted eventually in International Petroleum Co. and the establishment of sources of crude oil both in Peru and Colombia. That explains also the millions of dollars spent in Western Canada to find crude oil. The work goes on and there is a definite programme to determine the oil-producing possibilities of some four million acres in various parts of the western provinces. It is urged that the Canadian company should be kept in a financial position to enable it to continue its search.

In its eight plants in different parts of Canada, Imperial Oil has 33,050 barrels (35 Imperial gallons) of daily capacity and 65,500 barrels daily of complete refining capacity. The total is 98,550 barrels and the average daily crude runnings in the year 1934 were 55,555 barrels.

MONTREAL POWER ADDS 15 INDUSTRIES

New Customers Represent Mostly Canadian Activities of U. S. Firms

From Our Own Correspondent

MONTREAL.—Fifteen new industries have been located on Montreal Light, Heat and Power Cons. system since the beginning of the year. The new plants cover as many different lines of products. The majority represent subsidiary activities of American companies.

Following is a list of the new industries in the Montreal Power territory, together with their principal products and head office:

Name: Product Head Office

Royal Silk Mills of Canada Ltd.,—Silk weaving—U.S.A.
Conduits Co. Ltd.—Pipes, fittings—Ontario.
Paul Olmer & Cie—Tie manufacturers—France.
Ritchie Cut Stone Ltd.—Stone cutting—Ontario.
T. G. Bright Limited—Wines—Ontario.
P. & D. Mfg. Co. Ltd.—Ignition—U.S.A.
Muench-Kreuzer Candle Co. Inc.—Candle manufacturers—U.S.A.
Steel Heddle Mfg. Co.—Heddles, harness, etc.—U.S.A.
Procter & Gamble Co. of Can.—Soap—U.S.A.
Dominion Soya Industries — Oils, etc. — U.S.A.
British Rubber Co. of Can.—Rubber goods —U.S.A.
Lallemand Refining Co. — Malt manufacturers—U.S.A.
Dauray Frère & Cie Ltée—Textile manufacturers—U.S.A.
Myers Mills of Canada Ltd.—Powderizing solid matters—U.S.A.
The Sta-Brite Products Corp. — Cutlery manufacturers—U.S.A.

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STANDARD HOLDS 69.91 P.C. STOCK OF IMPERIAL OIL

Imperial Oil Controls 60 p.c. Shares International Petroleum

Standard Oil Co. (New Jersey) holds 69.91 per cent of the stock of Imperial Oil Ltd. The registration statement filed with the Securities and Exchange Commission at Washington also shows that Standard of New Jersey holds 74.56 per cent of the voting power in the Creole Petroleum Corp., about which a story is resurrected from time to time in stock market circles that there may be eventually a merger with International Petroleum.

The same statement shows Imperial Oil holding 60 per cent of voting power in the affairs of International Petroleum Co. Imperial Oil also holds 71.41 per cent voting power in Royalite Oil Co. of Canada.

As Imperial Oil gets its crude oil both from the United States and from South America, it is interesting to abstract from this registration statement a table showing the crude oil production of the important subsidiaries of Standard of Jersey during 1934, and the approximate acreage at the year end. This shows that Venezuelan production was twice as much as the total from Colombia and Peru and more than the company produced in the United States itself. The acreage held for exploration in Venezuela is four times as great as the total held in Columbia and Peru.

Output and Acreage

	Net prod. 1934 (millions)	Acreage Dec. 31/34 (millions)
U. S.	48.0 bbls.	7.8 acres
Venezuela	58.6	7.5
Colombia	15.6	1.3
Peru	14.1	.4
Argentina	2.4	.1
Mexico	9.8	1.3
Roumania	6.2	.1

In 1935, the oil production for the first ten months showed a gain of 38 per cent over the same period of 1934. Standard (N.J.) output comes third in Venezuela.

LAKE OF WOODS PUTS PREFERRED ON PAYING BASIS

Stock Market Again Forecasts Turn of Events With Rising Value

From Our Own Correspondent

MONTREAL.—In line with expectations, directors of Lake of the Woods Milling Co. have declared a dividend of $1.75 a share on the 7 per cent preference shares. The dividend, which marks the resumption of payments after a lapse since September 1, 1931, will be paid on December 16 next.

The market value of Lake of the Woods preferred has had a substantial increase of late in anticipation of dividend action by the directors. The income statement of the company shows that the dividend has been earned though unpaid in the last four years. During the year ended August 31, 1935, Lake of the Woods earned $21.49 a share, as against $26.82 a share in the previous year.

Looked for Delay

Some quarters thought the company might not undertake to pay dividends at this time owing to the company's limited working capital. At the end of last August, current assets exceeded current liabilities by only $122,352. For several years past there had been a working capital deficit and the balance sheet of the company indicated the need for further strengthening. On August 31 last, Lake of the Woods had bank loans totalling over $2.8 millions. Its current assets amounting to $3.3 millions were largely made up of inventories, cash on hand totalling to only $51,447 and accounts receivable $574,164.

NEWSPRINT SALES HIGHER IN OCTOBER

Paper, Pulp and Pulpwood Export Values Above Last Year

From Our Own Correspondent

MONTREAL.—In October, exports of newsprint from Canada were up in volume more than $1.2 millions compared with the same month a year ago; pulpwood more than $200,000 and woodpulp slightly.

Newsprint exports amounting to 4.8 million cwt., were worth $8.2 millions compared with 4.1 million cwt., worth $6.9 millions last year. The biggest market was the United States, which took 3.7 million cwt. of newsprint.

Pulpwood exports last month totalled 122,045 cords with a value of $899,014. This was in contrast with 100,369 cords worth $690,825 last year. The United States took 121,111 cords.

Exports of woodpulp and screenings in October last totalled 1.1 million cwt., worth $2.2 millions, or practically the same as in October last year.

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Sawmill Site in 1862, Vancouver Now Leading Coast's Trade Recovery

Expansion Shown by Many Industries During 1935

LUMBERING IMPROVES

Survey Reveals Gains in Employment, Agriculture and Export Trade of B. C.

In 75 years Vancouver has grown industrially from the site of a marine engine-powered sawmill to the third largest manufacturing centre in Canada.

This year, according to a survey completed by the Vancouver Board of Trade, the city will show further progress in industry, with substantial increases in employment, plant extensions, wood and machinery production, construction, sea borne trade, bank clearings, fishery operations, and other significant trade indices, compared with corresponding figures for 1934.

Growth of the Pacific coast port in 1935 is measured by returns from 100 representative industrial units in all lines of business, the survey shows. Figures for the current year are impressive, but the actual industrial history of the city dates back to 1862, when the British Columbia Mills, Timber & Trading Co. erected a sawmill near Stanley Park.

Power was obtained for the mill by use of a marine engine taken from one of the first steamships to enter the port and after being moved to a new site in 1865 the same mill was in continuous operation until 1929. It supplied lumber for domestic and export trade until the Vancouver Harbor Board acquired the site for development purposes.

The sawmill and its eventual displacement for harbor development are both significant of the story of Vancouver, since its lumber industry and port traffic are among the major factors leading to the present status of the city as a leading industrial centre.

Lumber Industry

Lumber and shingle manufacturing provides the greatest amount of employment, however. With production in this field totalling about $5 millions annually the outlook is regarded as brighter than for some time. The Canadian Western Lumber Co., for example, is spending $100,000 on a new veneer plant at New Westminster; the woodfibre mill of the B.C. Pulp and Paper has reopened with some 300 employees returning to work recently; and B.C. Plywoods Ltd. is constructing a wood veneer plant at Vancouver, costing about $125,000.

Wood products show a decided upward tendency, with production of shingles running 20 to 25 per cent above last year. Sash and door factories are very busy, the Board of Trade survey reveals. Furniture factories are active with better demand for their products, and the increase in operations of foundries and machine shops is fully 20 per cent over last year.

Meat Packing

Second only to lumber and shingle manufacturing is the slaughtering and meat packing industry, closely followed by firms engaged in the tea, coffee, and spice trades; bakery products, sheet metal works, canning, fish curing, textiles, paper products machinery, clothing, footwear, soaps, paints, dairy products and other branches of business.

In all there are 746 major industrial plants in Vancouver, according to the Dominion Bureau of Statistics, while the total for the province stands at 1,697 (1933 figures) against 270 in 1880.

Manufacturing

Measured by the value of gross manufacturing, growth of the province has been equally impressive. From $12 millions in 1890, the total had grown to $65 millions in 1910, and in 1933, the latest year for which statistics are available, the figure reached $146 millions for the gross output of British Columbia factories. Payrolls of B.C. factories grew from $3.5 millions to $31 millions in the same period.

Active in stimulating industrial activity within the province and foreign trade through the port facilities of Vancouver, the Board of Trade has gathered important data for those doing business with Pacific coast industries.

Statistics compiled by the board, in comparison with figures obtainable from earlier industrial records, reveal graphically the extent of Vancouver's and British Columbia's progress in recent decades:

Agricultural production of B.C.: 1901, $6.5 millions; 1934, $40 millions. Results; thousands of citizens finding profitable employment in frut, dairy, and farm occupations.

Fishery production: 1876, $105,000; 1891, $3 millions; 1934, $15 millions. Result; fishery production for 1935 is expected to reach $16.5 millions, an increase of over $1 million compared with 1934.

Forestry production: Has amounted to about $45.5 millions annually for the past few years. Result; with a return of conditions encouraging to the export of wood products to the United States, greater activity is expected this year and next.

Mineral production: 1891, $3.5 millions; 1911, $23.5 millions; 1934, $42 millions. Result; gold and other mineral production has gone far to offset the slackened pace of other industries during the depression period.

Export trade of B.C.: 1920, $85 millions; 1934, $113 millions. Imports in 1929 were $197 millions and in 1934, $33 millions. Result; the value of B.C.'s manufactured products has grown from $12 millions in 1890 to $146 millions in 1933.

Vancouver bank clearings: 1901, $47 millions; 1934, $756 millions. Result; leading position as a financial centre for the Pacific coast.

Building permits, Vancouver: 1902, $1 million or less; 1911, $18 millions; 1931, $10 millions. Result; steady growth of domestic lumber industry, and allied manufacturing trades.

Vancouver grain shipments: 1923, 19 millions of bushels; 1928, 98 millions; 1934, 52 millions. Result; port shipping facilities affected largely by world movements of grain, and as 1934 figures show, subject to fluctuations in world demand for Canadian grain.

Water borne imports: About 2.5 millions of tons annually. In 1931 total water borne exports were 855,000 tons, and in 1934, 3.3 millions of tons. Result; growth of Vancouver as a shipping centre.

Employment: The monthly report of the unemployment relief branch of B.C. for September shows a decrease of 2,369 cases from the month of August. Income tax collections for the first six months of the fiscal year totalled $3.9 millions an increase of $863,642 over last year. Nearly 10,000 persons have gone back to work in the primary industries of the province since 1932.

Elected President

J. A. MacLAREN

New president of the Canadian Association of Advertising Agencies. He is head of the MacLaren Advertising Co. Ltd., Toronto.

Ontario Savings Office Expected in London Soon

Remodelling of the Richmond building, King and Richmond Sts., London, Ont., to meet the requirements of the Province of Ontario Savings Office has been begun. When alterations have been completed, the premises will be rented by the government. It is expected that the bank will be opened between the first and 15th of December.

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PORT OF SPAIN WILL TAKE OVER UTILITY SYSTEM

Trinidad Electric Agrees to Abide by Supreme Court Decision

From Our Own Correspondent

MONTREAL. — The municipality of the Port of Spain will take possession of the Trinidad Electric Co. on January 1 next, according to a statement issued by the Hon. F. B. McCurdy, president of the company. This ends five years of controversy between the company and the municipality.

Pending conclusion of the litigation, the company has accepted the city's cheque for $1.6 millions. Transfer of ownership will end the litigation, because the agreement included a government guarantee to pay whatever amount the Supreme Court may award.

Legal Decision

During its long fight to take over the company, the city obtains authority from the Privy Council for such action, leaving the purchase price to arbitrators who valued the electric light and tramways undertakings at $1,604,195.

Claiming nearly $3 millions, the company refused to accept this price in September and questions not answered by the arbitrators are before the Supreme Court.

B. C.'s Basic Industries Increasing Production

Production from British Columbia's four basic industries this year may show an increase of $11.5 millions over 1934, according to reports from Victoria. Comparisons follow:

	Est. 1935 millions	Approx. Inc. millions
Lumber	$50	$5
Mining	44.5	2.2
Agriculture	43	3.2
Fishing	16.5	1.2
Total Increase		$11.6

Saint John Harbor Handles More Cargo

From Our Own Correspondent

MONTREAL.—Saint John Harbor Commissioners report the volume of cargo tonnage handled last October as being slightly greater than for the same month a year ago.

Imports amounted to 44,082 tons, and exports 37,491 tons, a total of 81,573 tons. This is in contrast to the October, 1934, returns of 51,596 tons of imports and 27,834 tons of exports, an aggregate of 79,430 tons.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, follows:

Spain—Favorable factors predominate but foreign trade is still unsatisfactory. Heavy industries are lagging somewhat.

Switzerland—Level of imports remains disappointing. Extreme slackness in construction has caused an increase in unemployment.

Norway — Business sentiment is tending to improve and conditions remain generally satisfactory.

Austria—Industrial production has reached an unusually high level. Employment has improved.

Japan — Raw silk market has strengthened appreciably on better buying by United States. Foreign trade balance is favorable.

Philippines — Rise shortage continues. Exports in September were well above last year.

The BACHELOR'S CORNER

The Quality Fan...

I went home after the hockey game the other night excited and satisfied. Every time I closed my eyes I could see the shifting, sweeping formations of the players like swallows flying before rain. It takes *quality* to maintain that pace, stamina, speed, skill and a fighting heart. Those boys had it and, no matter which side you rooted for, that exhibition of *quality* left you with a "clean taste in your mouth."

It's like that with everything, cigars too. A good cigar should be firm, fresh, of well aged Havana filler, and mild and mellow to the last inch. That's why more and more *quality* fans are going back to a ten cent cigar—and to the best of them: Bachelors.

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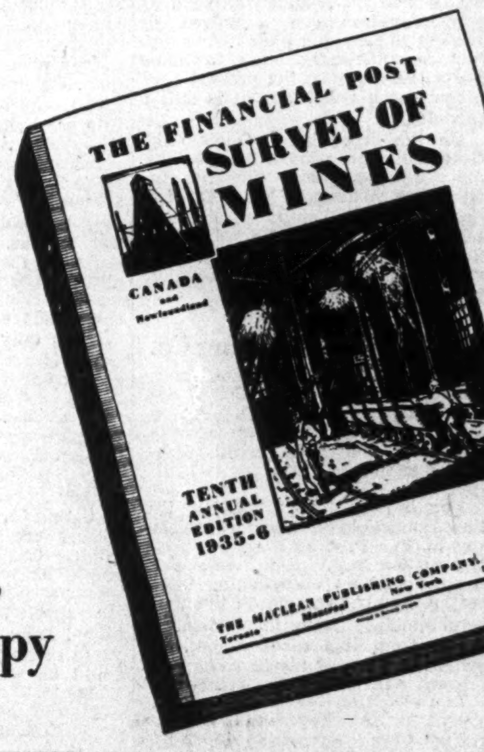
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